



FINAL ANNUAL REPORT

Senqu Municipality

2018/2019

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Senqu Municipality

Chapter 1

CHAPTER 1

MAYOR'S FOREWORD & EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

The 2018/2019 financial year has passed, and Senqu Municipality has again weathered the storm and come through victorious. It is with great pride and recognition of all the efforts and work undertaken by the political and administrative leaders and staff, that I present to you the Annual Report for Senqu Municipality for the 2018/2019 period. During this time and being recognized for its impact it is to be noted that the National and Provincial elections were held during May 2019. Senqu Municipality remains committed to the outcome of these results and to supporting the consolidation of the South African democracy.

As always and throughout our term of office, we have been governed by the objective of creating a "people centred government and a sustainable municipality" that is positioned and best placed to raise and improve the quality of life for all who reside within this area. Despite a number of additional political and administrative challenges during this financial year, Senqu Municipality has been able to stay ahead of its game and its achievements far outweigh the noted challenges.

The 2018/2019 financial year has been particularly successful for Senqu Local Municipality in so far as financial management and proven financial sustainability is concerned. Senqu Local Municipality was awarded a clean audit opinion for the year under review. It must further be noted that Senqu Local Municipality has achieved a clean audit from the Auditor General's office for the past six (6) consecutive years, not to mention being ranked by Ratings Africa as the number one (1) financial performer of local authorities within the Eastern Cape. Despite the ongoing challenges of retaining these accolades and awards, Senqu Municipality has managed to successfully achieve this, proving that it is not only a worthy contender but showing that it places a premium on "being the best" and remaining at the top of its game.

Having achieved such high acclaims and awards, the greatest challenge moving forward is to ensure that these are maintained. The "bar" has been raised and we owe ourselves and the community the commitment and promise to continue to perform at this high level, while providing the community with the required and expected levels of service delivery, local economic development, infrastructure development, fiscal control and sustainability and good governance within all spheres. Considerable effort will be made to meet and sustain community needs at all identified levels – as dictated and defined by the constraints of available infrastructure and resources.

1.1 VISION

Senqu Municipality's vision is stated as follows:

“A unified, people centered, developmental and vibrant Municipality”

We acknowledge and appreciate the huge challenges and limitations that we face in our efforts to ensure that both politically and administratively, we achieve our vision and meet the strategic objectives of Senqu Municipality. In so doing we have had to be mindful of the socio-economic face of South Africa and of Senqu Municipality in particular. Efforts are made to ensure that local enterprises and community members are and remain empowered – creating a community of motivated and empowered individuals who are fortunate enough to contribute towards the growth and sustainability of the community and the environment within which we are rooted.

In order to achieve these objectives, we have had to accommodate the very many challenges that have been faced by the organization. These include but are not limited to old and ageing infrastructure, high rates of unemployment, a poor rates base (leading to financial resource challenges), challenges relating to other resources generally (human resources – scarce skills and the like) and extreme weather conditions that have included drought and severe rains that resulted in flooding.

We are guided strategically by the Integrated Development Plan (IDP), which is developed initially as a five (5) year plan (aligned to the current term of office). This is revised and updated annually while taking current resources (detailing annual strategic objectives) into account. The strategic goals and priorities are cascaded into the strategic and operational plans of all directorates and related employee scorecards. By so doing, it is ensured that every effort at any point in time is constantly being made to achieve the required targets and desired outcomes.

The Integrated Development Plan (IDP) Priorities for the IDP (2017 – 2022) are revised annually. The IDP priorities for the 2018/2019 period were identified through inputs obtained from public participation initiatives and processes such as Mayoral Outreach initiatives, the Integrated Participatory Planning Forum and the IDP & Budget Steering Committee.

These are detailed as follows:

- a. Service Delivery – solid waste management, electricity losses in Sterkspruit
- b. Access roads (villages)
- c. Access to land – shortage, bulk un-serviced sites, land tenure, invasions, surveying
- d. Local Economic Development
- e. Job Creation
- f. Youth Development and Employment; and
- g. Revenue Enhancement.

1.2 IDP PRIORITIES

The priorities listed have been expanded somewhat and include:

a. Basic Service Delivery

The targets for basic Service Delivery are aligned with the Strategic Objectives of the IDP. There is alignment between the IDP, the Service Delivery and Budget Implementation Plans and the Budget – thereby creating service delivery targets that have the potential to be achieved – taking restrictions, challenges and available resources into account. In order to ensure that all targets are addressed operationally throughout the organization, these aligned targets are incorporated within the SDBIP and reflect within individual and institutional scorecards. Targets are specific and also take into account the pre-determined targets. General constraints and general challenges relate to old and ageing infrastructure, lack of resources (especially financial) and geographical factors (leaning at times to the challenge of scarce skills). Despite challenges, planning is for the most part realistic in that it takes these factors into account.

The 2018/2019 financial year showed tremendous improvements in respect of service delivery. Overall and in terms of achievement it is noted that of all the service delivery targets: 9 targets were exceeded; 44 targets were met and only 16 targets were not met or met with a variance. Overall there is thus a considerable measure of improvement.

Electricity losses during the 2018/2019 financial year are reflected at 16 % and remain an area of concern having increased from 14% during the previous financial year. Efforts and focus will continue to be placed on ensuring that appropriate remedial efforts are taken in an effort to combat this, moving forward.

b. Access Roads

As reflected within the IDP and aligned Budget and SDBIP, priority areas will include roads maintenance (as per the Roads Maintenance Plan). This incorporates planned maintenance, addressing potholes and the paving and construction of access roads – especially access roads to villages. Traditionally this continues to be an area of challenge.

c. Land Shortages

The shortage of urban land for development remains one of the most difficult challenges facing our municipality. It is noted that the greater portions of land are either currently privately owned or owned by traditional authorities. There are also many instances of government owned land being illegally occupied. This has had a huge impact on the ability

of the municipality to provide the most basic services that require land such as: solid waste, cemeteries and recreational facilities.

Difficulties have been experienced with the lack of land and tenure challenges. The fast expanding Sterkspruit and the development of Barkly East both continue to be regarded as areas of priority. Improvements that were hoped to be coordinated through the establishment of the Senqu Land Development Forum were not realized as this was not established by the end of the financial year and this effectively rolled over to the new financial year. This will receive additional focus in the new financial year.

d. Job Creation

The EPWP (Expanded Public Works Programmes) involves the running of projects that focus on providing unemployed members of the public with an opportunity to work and improve skills within basic levels of EPWP project functioning.

This aspect of service delivery was well achieved and an average of 205 jobs were created during 2018/2019.

e. Youth Development

Numerous projects have been undertaken annually in order to develop and upskill the youth. By way of example it is noted that: the District Youth Festival Event took place 8 December 2018 and this event was integrated with the Sondela Youth Festival; the Senqu Youth Council was elected June 2018 and the induction workshop was conducted during July 2018; the awareness campaign on 16 days of activism was held 20 December 2018; the SALGA games were changed to the Steve Vukile Tshwete Games which were held in East London from the 28 to 30 November 2018; it is noted that the Strategy on Vulnerable Groups was not completed due to budgetary constraints; and the ward tournaments were held during the fourth quarter of 2018/2019 in preparation for the Mayoral Cup Tournament which was held from 15 to 17 June 2019.

Despite successes overall, it is recognized that these targets have not always been timeously achieved and it is evident that greater co - ordination, communication, planning and use of limited resources is required, in order to ensure that targets are achieved as planned – despite existing challenges.

f. Local Economic Development (LED)

Economic Development Forum meetings were held quarterly as planned and an average of 205 jobs were created during the 2018/2019 period. Despite these and other successes it is noted that this remains an area where a great deal of additional development is required to be achieved over time and with appropriate capacity.

g. Communication and Public Participation

Efforts are continuously being made in order to “improve communication and to heighten efforts in which opportunities for public participation occur”. One forum that is used for this purpose is the IDP Representative and Public Participation Forum. In this regard, meetings were held as required.

As reflected within the IDP, the following areas continue to remain areas of priority despite falling outside of the Municipality’s designated powers and functions to a large extent:

- Water
- Sanitation
- Electricity
- Disaster management

1.3 KEY POLICY DEVELOPMENTS

Emphasis continues to be placed on efforts to heighten and improve service delivery and ensure that compliance remains the focus within all areas. In terms of compliance and service excellence, policies continue to be reviewed and developed throughout, in order to ensure that appropriate procedures are developed, updated and implemented. These in turn are monitored and all required processes and standards are met as required. Where issues are identified for remedial action and/or intervention, these are highlighted and managed appropriately.

While policies have been reviewed as required in most directorates, these may not have been adopted and tabled timeously in all instances due to meeting postponements and the like. In an effort to facilitate service delivery and efficiency of functioning the following policies/programmes have been highlighted:

- **Performance Management (Employee and Institutional)**

At the employee level this policy has been reviewed and revised to accommodate Groups 1 (for s56 Directors and managers reporting to Directors down to TASK Level 15. Management of service providers is also incorporated at this level). Group 2 relates to staff below TASK Level 15 and includes the performance assessment of interns. Roll out to all staff will eventually occur but currently this applies at the lowest level only to the middle management level. Details and prescriptions for policy application are contained within the policy;

- **Service Provider Reporting and Assessment**

Performance management of service providers occurs under strict conditions as per policy. While improvements have been noted in the reporting on service provider reporting, room

for improvement remains. Greater effort is required to be applied to the manner in which service providers are managed and the manner in which reporting occurs;

- **Performance Management of Interns**

In terms of the newly approved Performance Management Policy, the performance of interns is now being monitored and reported on formally;

- **mSCOA and OPCAR**

Both the OPCAR and mSCOA projects and compliance related activities are progressing well and this is particularly commendable, as Senqu Municipality represents the mSCOA pilot project for the Eastern Cape.

- **Review of Functional Structure**

The functional structure review and review of the organogram in particular, has been affected by a recent court case alleging that certain sections of the MSA 7 of 2011 as amended are unconstitutional /ultra-virus. The organogram is no longer approved by Council but by the Municipal Manager (MM). As a direct consequence, the review of the organizational structure will be held over until the Job evaluation (JE) process is completed and an item to support this was presented and approved at a Top Management Meeting;

- **LED (Local Economic Development)**

In an attempt to reduce the high levels of unemployment, the Local Economic Development Plan is currently being implemented in an effort to reduce unemployment and poverty. In this regard the municipality is attempting to activate the rural economy by stimulating the agricultural and tourism sectors. The participation of Black business within these sectors is being encouraged although recognized that a great deal of additional effort is required within this area;

- **Vision 2030** reflects both a plan and a policy that emphasizes a developmental focus for Senqu Municipality. The organization is required to be a “people centered, vibrant, dynamic municipality”. The strength of this vision is built on five (5) pillars, namely: stimulation of economic growth; access to what is considered to be decent access roads; the positioning of steadfast and reliable governance systems; the creation of an enabling environment for all residents to prosper and the social upliftment of all residents.

The implementation of vision 2030 will ensure that the goals of performance as outlined in the country’s National Development Plan (NDP) will be achieved.

Vision 2030 will ensure that through long-term planning and effective and strategic leadership, Senqu Municipality will focus on and achieve improved living standards for the residents of Senqu Municipality. The emphasis will be on ensuring:

- Sufficient / adequate water and sanitation provision;
 - A clean environment;
 - Regular waste collection;
 - Good housing and urbanization of all towns within the municipal jurisdiction; and
 - Excellent education and training (empowering all genders, youth and disadvantaged / vulnerable groups through the elimination of poverty);
- Policies have been reviewed/ developed within numerous areas in an effort to ensure that these remain current and updated at all times.
 - Finance policies were reviewed and adopted by council on the 29th of May 2019;
 - 22 by-laws were promulgated under gazette no 4217 vol 26. The public notice informing the communities of the same was done during the month of May 2019 under notice number 65/2019; and
 - Extensive discussion regarding Finance related HR Policies between management and unions has caused delays in policy approval.

1.4 KEY SERVICE DELIVERY IMPROVEMENTS

Challenges regarding old and aging infrastructure continue to be experienced and every effort is made to compensate for this at every level.

Efforts for improvement are required to be focused on the following areas:

1.4.1 Roads

These remain a priority and the challenge is in ensuring the quality and sustainable maintenance of the roads themselves. Certain areas lack roads infrastructure altogether and as always, our efforts focus on obtaining funding to assist with roads infrastructure development – especially in areas where there are no roads altogether (villages and the like);

1.4.2 Commercial property development

New shopping developments / shopping centers have been developed. These were identified within Lady Grey, Sterkspruit and Barkly East. Development has occurred and additional phases regarding development are planned;

1.4.3 Job Creation

An average of 205 jobs were created during 2018/2019. Determining how many jobs were created during the financial year under review does prove difficult as staff turnover does occur. EPWP participants are often "laid off" or their ID's are not

submitted and as result the numbers change e.g. MJC provided for 162 participants to be appointed (50 in Lady Grey, 50 in Barkly East, an additional 50 in Lady Grey, 6 in Rhodes and 6 in Rossouw). The actual statistics reflected that between 137 and 130 people participated each month instead of the planned 167;

1.4.4 **Landfill Challenges**

No legitimate landfill sites exist. Environmental Impact Assessments (EIA's) are in place although these are dependent on external parties and required protocols being completed;

1.4.5 **Youth Projects**

Various projects that are initiated in order to develop and upskill the youth continue unabated. As already detailed, despite projects occurring, these haven't occurred entirely as planned and within appropriate timeframes. To this end it is recognized that greater planning and control is required in order to ensure that planned outcomes occur as required.

1.4.6 **Sportsfields**

Overall it is noted that these have been developed and well maintained despite numerous challenges. More specifically it is noted that: 10 Poles and 10 Nets were purchased and installed in the relevant Sportfields; the required 12 monthly reports and 5 Sports fields were maintained in Wards: 2, 13, 10, 14 and 16. Efforts to produce a perimeter fence were not approved – although the potential for profit exists. Through increased revenue and planning this can be improved as there is a continuous for development in this area. It is further noted that the Specification Committee did not approve specifications due to limited information submitted by the user department and this ultimately impacted on progress;

1.4.7 **Traffic Services**

These are well provided overall; and

1.4.8 **Hawkers**

Hawkers are encouraged to operate legitimately with assistance provision at every opportunity.

1.5 PUBLIC PARTICIPATION

Improvements within the area of public participation will always receive priority as it is an area that remains critical in receiving inputs from the community and ensuring that their needs are met where at all possible. A Public Participation Framework and Plan was developed and adopted. This has been implemented in a manner that facilitates: public input into the manner in which municipal strategic objectives are developed (as reflected within the IDP); the manner in which public input occurs regarding open documents (e.g. the Budget); the manner in which issues regarding service delivery are raised; and the manner in which opportunities are created in which the public are able to be heard. By obtaining inputs within these areas, community needs and issues are identified and may be addressed through adequate planning and resources.

To this end it is noted that:

- The local SDF was not approved and the project was delayed during the Supply Chain Management processes. Preparations for the May 2019 elections contributed further to the delays. The LSDF was at the public participation stage by the end of the year under review. A series of public meetings were to be held throughout the Municipal Area and members of the public were also to be provided with an opportunity within a stipulated timeframe to scrutinize and provide written comment on the LSDF. The public were informed of the time and venues for the various public meetings, as well how and where the SDF documentation could be viewed or obtained;
- 4 IDP Representative and Public participation Forum meetings were held as planned despite the fact that these didn't all occur according to planned timeframes;
- Ward Committee meetings were held for all wards in all quarters. These meetings sit haphazardly as is often difficult to get councillors to meet at given times;
- The Mayoral Budget Speech was held on the 31st May 2018 in order to provide required feedback;
- The Public Participation Forum was constituted and held meetings (comprised of: Ward Committee members, Councilors, members of the LED Forum, SPU and government Departments);
- Information sharing and public participation was improved through the holding of four (4) Integrated Public Participation Forum meetings (formerly known as Round Table) meetings;
- Mayoral Imbizo's and community information sessions were held regularly;
- Ward Committee meetings were successfully held;
- Newsletters to the community were submitted in three (3) out of four (4) planned distributions;
- Efforts to develop and maintain both a Facebook and Twitter page did not materialize/reach required levels of success and will be addressed in the new financial year;
- A Presidential Hotline is manned so as to deal with and resolve issues raised;
- A Customer Care Complaints Register is successfully utilized to note all details regarding issues raised in order that these may be appropriately addressed; and

- An Annual Public Participation Plan has been developed and adopted. Notwithstanding, reporting on identified implementation milestone is required to occur.

Despite our best efforts it is always acknowledged that more can be done. This area remains a particular challenge when recognizing the geographical spread of the communities and recognizing that all media must be utilized in an effort to reach the public. Newspapers, radio, the Community Development Workers and broadcasting media are used in order to improve communication.

1.6 FUTURE ACTIONS

Despite many achievements, challenges always abound and as a result the following areas will receive particular focus:

- Public participation initiatives;
- Minimization of electricity losses;
- Roads maintenance and construction initiatives in order to minimize extensive challenges;
- Sustainable road and bridge development and maintenance;
- Capacitation of both staff, councillors and the community;
- Economic regeneration plans for each town and related implementation in this regard;
- Effective performance management and reporting;
- Land availability, land tenure changes and allocation of sites;
- Legitimizing the Landfill Sites;
- Eradicating /minimizing cases of irregular, wasteful and fruitless expenditure;
- Paving of sidewalks and roads in towns (EPWP initiatives);
- The development of recreational facilities;
- The implementation of SPU programmes (especially relating to youth); and
- Updating and adherence to local municipal bylaws regarding buildings, business, land and traffic.

1.7 AGREEMENTS /PARTNERSHIPS

These reflect the formal and semi-formal structures that existed in order to improve all aspects of functioning such as: MUNIMEC, DIMAFU, IGR and the like. These need to be actively pursued moving forward.

Agreements are entered into with the appointed Service Providers who are then evaluated in accordance with the recognized service provider's assessment processes. The JOGEDA (recognized Development Agency) that is used to boost tourism in the area, is effective in ensuring that tourism objectives are prioritized.

Agreements with DSRAC (libraries), Department of Roads and Public Works are examples of other agreements entered into nationally in order to ensure that services are provided effectively.

1.8 CONCLUSION

In conclusion while it is acknowledged that continuous improvements are necessary, we are reminded as before that: inter-governmental relations must be improved; the socio-economic cluster must be strengthened; relationships with other government departments must be fostered and all parties must work hard to ensure that Senqu Local Municipality and its community achieve the desired objectives. That being said, accolades must be accepted with pride and we are to acknowledge all the successes achieved within this year overall and in context.

We must acknowledge that we have a very strong administrative support base for which we are very thankful, and we have a political team that has shown its commitment to the achievement of its political mandate and ensuring that the provisions of the ANC manifesto will be met.

In concluding I must therefore express my gratitude and appreciation to both the political and the administrative team for all their support and efforts over the past year. In particular, I make mention of the Speaker, our Chief Whip, Exco Council, the Municipal Manager and all staff. I look forward to another successful year of service delivery and meeting the needs of our communities in a sustainable manner!

.....
N.P MPOSELWA
MAYOR

COMPONENT B: EXECUTIVE SUMMARY

1.9. MUNICIPAL MANAGER'S OVERVIEW

2018/2019 has not been without challenge. Notwithstanding the many challenges, Senqu Municipality has managed to yet again achieve a clean audit (for the sixth consecutive year) – alluding to its financial sustainability and stability overall. In addition, reference is made to the recognition provided over the past few years by Ratings Afrika, acknowledging Senqu Local Municipality as being the second highest scoring municipality within South Africa and as the highest performing municipality within the Eastern Cape. These are certainly achievements of which to be proud and the recognition from Ratings Afrika takes into account the financial stability index and the financial sustainability of the municipality overall. Despite these accolades and the resultant challenge that it represents in terms of sustainability moving forward, it must be noted that Senqu Local Municipality has also experienced its fair share of hardship and challenges during the 2018/2019 period. The manner in which it has been able to address these issues is what has set it apart and highlighted the success factors.

In recognizing both achievements and challenges the following issues will be highlighted as a summary in terms of performance for the 2018/2019 financial year:

1.9.1 Alignment of Service Delivery Priorities

- The Integrated Development Plan (IDP) is developed at the beginning of each term of office for a period of five (5) years. This is reviewed annually, and a set of annual strategic objectives are developed while taking into account community inputs, national indicators (pre-determined targets), organizational objectives, current infrastructure and related budget. Annual plans and targets represent a realistic set of targets that take into account compliance targets and realistic targets – with alignment to the budget, resources and ultimately with the 5-year IDP;
- It must be emphasized that the IDP is informed by inputs from public participation initiatives and the final documents not only reflect the needs of the community, but are required to take into account the pre-determined objectives (with emphasis on service delivery) that are required nationally as a matter of compliance, not to mention the competencies required in terms of the Competency Framework (as per the revised Performance Management Framework and System).

In order to ensure that these targets are successfully achieved a Service Delivery and Budget Implementation Plan (SDBIP) for the organization as a whole (reflected within each Directorate) is created and this is aligned to both Budget and IDP;

- The Service Delivery and Budget Implementation Plan (SDBIP) is a means to cascade the required targets throughout the organization and these are cascaded down to further levels – at all times showing alignment with the IDP and Budget. In this way, it is ensured that every person/employee at every level will ultimately contribute towards achieving the high-level targets overall;

- Realistic service delivery targets are created / formulated, and this occurs using what is formally known as the “SMART” principles. Targets are therefore written in such a way that they are considered to be “SMART” i.e. **S**imple; **M**easurable; **A**chievable; **R**ealistic and **T**imebound;
- In identifying and aligning service delivery priorities it must be noted that information was obtained locally for input into the IDP, Budget and SDBIP through the implementation of the Public Participation Framework and Plan, the IDP Process Plan and related initiatives. These include but are not limited to:
 - Council Meetings;
 - Mayoral Meetings;
 - Mayoral Imbizos;
 - MPAC meetings and reports/ auditing; and
 - The Presidential Hotline.

Community participation is key at every level.

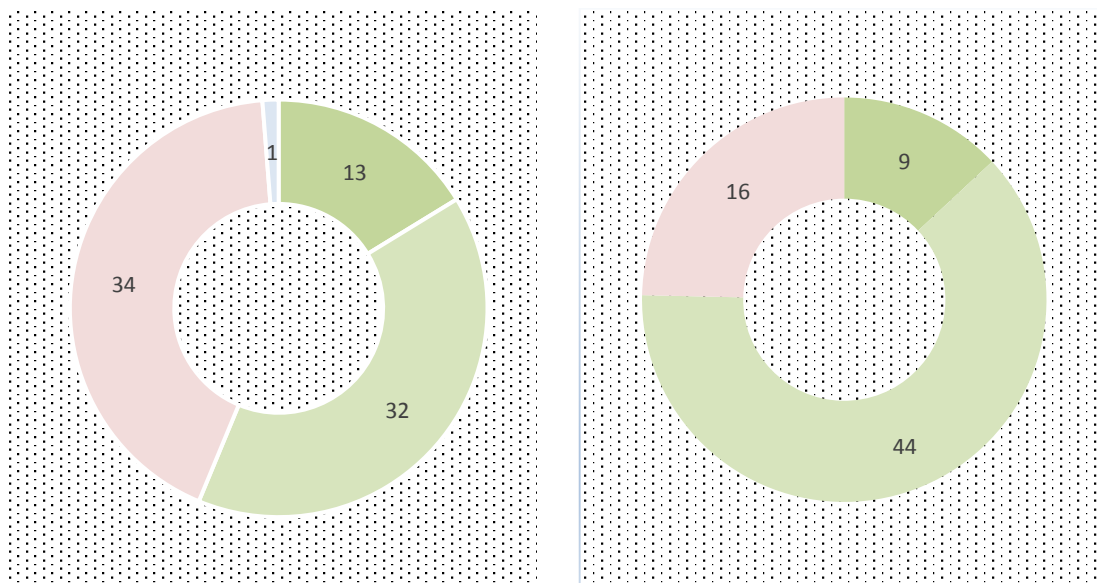
1.9.2 Service Delivery Performance

Service Delivery Performance for the 2018/2019 financial year is depicted diagrammatically within this section.

The IDP related strategic objectives (linked to Basic Service Delivery) require that the municipality engage in the following service delivery target areas: “effectively manage the adherence of traffic rules within the municipality”; “maintain and upgrade existing access roads and stormwater”; “provide and maintain community facilities”; “maintain and effectively monitor Cemeteries”; “to provide and maintain parks and open spaces, creating a pleasant environment for communities”; “to provide reading and study material”; “to maintain and develop sports facilities”; “to manage commonages and control stray animals within Senqu Local Municipality”; “to provide efficient and economical refuse collection and recycling services”; “to provide economical and appropriate services for the poor”; “to maintain and upgrade existing electrical networks and street lighting” and “to provide adequate office space for staff”.

The graphs and tables that follow illustrate the great strides that have been made and provide a comparative between achievements and progress between 2017/2018 and the 2018/2019 financial years.

Basic Service Delivery



2017/2018

2018/2019

Target exceeded Target met Target not met Target not assessed

These diagrams above provide a comparative regarding service delivery performance between the previous financial year and the current year. As can be seen from the legend and results, 2018/2019 has had greater success overall.

More specifically and as is noted in the table that follows, overall percentages of achievement and non-achievement read as follows with a comparative between 2017/2018 and 2018/2019:

2017/2018 (Previous Financial Year)

KPA 2017/2018	Total Number of KPI's Per KPA AREA	Number KPI's Exceeding Target	% KPI 'S Exceeding Target	Number KPI's Meeting Target	% KPI 'S Meeting Target	Number of KPI's Not Achieved	% of KPI's Not Achieved	Number Targets Not Assessed and or on Hold	Percentage Targets on Not Assessed and or on Hold
Service Delivery	80	13	16.29%	32	40.00%	34	42.50%	1	1.25%

2018/2019 (Current Financial Year)

KPA 2016/2017	Total Number of KPI's Per KPA AREA	Number KPI's Exceeding Target	% KPI 'S Exceeding Target	Number KPI's Meeting Target	% KPI 'S Meeting Target	Number of KPI's Not Achieved	% of KPI's Not Achieved	Number Targets Not Assessed and or on Hold	Percentage Targets on Not Assessed and or on Hold
Service Delivery	69	9	13.04%	44	63.77%	16	23.19%	0	0.00%

In terms of the diagram / table above: KPA's refer to the Key Performance Areas in which Senqu Municipality assesses achievement of performance targets. KPI's refer to the specific Key Performance Indicators or "performance targets" that Senqu Municipality is required to achieve within each Key Performance Area. While understanding and accepting the challenges in terms of old and ageing infrastructure relating to service delivery, it must be noted that this reflects the highest number of performance targets that are required to be measured organizationally. Despite the inherent challenges that exist within the Service Delivery KPA's 13,04% of the performance targets exceeded required performance; 63,77% met required performance targets; 23,19% of the targets were not met and 0,00% of the targets were not met/put on hold.

Notwithstanding these targets and clearly the improvements that have occurred, it is imperative that one acknowledges that the manner in which targets have been phrased, may also have an impact on the level of achievement/non-achievement. It cannot be over-emphasized that every effort must be made to ensure that performance targets are appropriately written and are meaningful in terms of what they measure and plan to achieve.

Generally, the following areas are highlighted:

a. Road Traffic

Aside from the non-achievement of the required business plan for the construction of the DLTC in Sterkspruit, all other Traffic related targets were well achieved (licensing, roadworthy of vehicles and the like) – target met/exceeded;

b. Roads, bridges and transport infrastructure

In these areas' performance is highlighted as follows:

- i. **Pothole repairs and maintenance.** These targets were well achieved, **except in the case of two (2)** where it was discovered that less potholes were required to be repaired/maintained than anticipated;
- ii. **The Contractor has been appointed for Site establishment** and 6 km road bed preparation and 1km of road wearing course (dependent on construction) has been completed. The contractor has been appointed, introduced to the community and commenced with construction on the 10th June 2019. In another instance the target could not be achieved; and
- iii. Targets relating to the maintenance of roads in Ward 16 were not met. This was due to pressure received from the community and the necessitated adjustment of the target to suit community needs.

Despite these issues and as indicated, in most instances, the targets relating to the construction and maintenance of roads and stormwater areas were exceeded overall.

NOTE:

- In a number of instances targets were not reflected as “met” due to the manner in which targets were worded and at times due to the non-alignment between the SDBIP and IDP;
- In cases relating to the construction of interlocking paved roads, it was established that in certain instances, contractors’ appointments did not have sufficient resources and infrastructure to complete the project effectively and this highlighted the necessity to “vett” and report on successful service providers with due diligence; and
- In isolated incidents, certain targets were found to have been duplicated/left off and therefore not assessed;

c. Historically, improvement had been required regarding the **Roads Master Plan**. Additionally, **the Roads Maintenance Policy** was required to be developed and implemented appropriately in order to remedy this. This period has seen effective use of MIG funding and the achievement of stated targets. MIG and donor funding are both well utilized and continue to contribute extensively towards the upliftment of the community;

d. **Recreation and Community Facilities**

These targets were well met in a number of instances but in others, budget constraints required that the targets be placed on hold;

e. **Cemeteries and Pauper Burials**

Targets within this area were well-achieved and cemeteries are being well maintained;

f. **Sportsfield Maintenance**

This is an area that requires attention in as far as maintenance and construction are concerned. Attention is required to address deficiencies, both in terms of the maintenance plan and in terms of appointing suppliers who are adequately resourced. Vandalism and the availability of adequate resources has also impacted negatively within this area during this period. In other instances, stadium fencing projects were well achieved;

g. **Libraries**

Library services are well provided overall;

h. **Parks and Public Open Spaces**

Targets were overall well achieved; however, it is noted that resource availability as measured against in-house ability meant that certain construction work for braais, fencing and the like would be completed in-house moving forward;

i. **Commonages and Animal Licensing**

These targets were well achieved overall in terms of the fencing of commonages and the management of stray animals. Moving forward the issuing of letters and letters of demand

are to be improved. The construction of municipal pounds met with some difficulty due to financial challenges and will be re-addressed within the new financial year;

j. Waste Management

The waste management function has overall been well achieved and targets have been exceeded in respect of waste removal specifically. Unfortunately, the lining of the Lady Grey and Barkly East solid waste sites could not occur due to budgetary constraints and will be handled within the new financial year. The same is true in respect of the fencing of the old and new landfills in Barkly East. Recycling awareness campaigns were in most instances well received. Calibration of weigh bridges occurred as required. Regrettably Senqu Municipality is not currently compliant in respect of the licensing of all landfill sites (due to the absence of Environmental Impact Assessments and the like) and this is required to be urgently addressed as a matter of priority. While the Integrated Waste Management Plan was reviewed, it was not tabled timeously as per required targets;

k. Free Basic Service Delivery

These targets have in most instances been exceeded – especially in respect of the reporting on indigents that receive free basic electricity and access to alternative energy. Reporting on refuse removal for indigents is required to receive additional focus in order to achieve accurate statistics;

l. Electricity and Street Lighting

These targets have to a large extent been met or exceeded. The construction of HV overhead lines were in most cases not fully achieved due to budgetary constraints. The same applied to certain planned repair and maintenance functions. Street light maintenance was overall extremely well conducted;

m. EPWP Projects (Expanded Public Works Programmes)

These projects are designed and created in order to facilitate job creation and thus the capacitation of unemployed persons, by utilizing their skills/labour within service delivery projects. “**Job Creation**” is now termed “**EPWP**” and EPWP projects are currently run within the following departments: Street Cleaning; Pothole repair, Waste Management, Refuse Removal and Grass Cutting.

Expanded Public Works Programmes are required to be informed by the need to meet specific projects and to assist with the achievement of service delivery objectives and targets. Challenges continue to be experienced with processes involving the manner in which these are staffed and the manner in which statistics are maintained and reported. In order to resolve these challenges (and related others), it is suggested that an EPWP Policy be implemented in a manner that allows for the recruitment of EPWP workers by the Corporate Services Directorate – following modified but standard recruitment and selection practices for limited duration contracts such as those applicable to EPWP contracts;

n. The **SPLUMA bylaws** were adopted by Council and promulgated in the government gazette on 13 June 2016. The Local SDF for Sterkspruit was approved by Council on 28 March 2018;

o. **Staff Development**

Training is occurring in terms of the WSP however challenges are experienced. Most notably, training is dependent on the availability of Service Providers and the procurement process which is lengthy and as a result this has an impact on the delivery of the training initiatives – not all occurring as planned;

p. **Staffing**

This area of functioning remains a challenge and a concern – especially at the senior levels. It has long been recognized that continuity of functioning and retention of desired skills is necessary in order to keep the municipality functioning at an optimum level. To this end it is noted that the contract of the Municipal Manager has been extended for a period of two years and the contract of the Chief Financial Officer expired 30 November 2016. Appointment of the right calibre of staff to the CFO's post is critical if the financial health of the organization is to be secured. The impact of a poor appointment and failing to ensure continuity and the development of appropriate skills basis will lead to the downfall of the organization and must be taken into account and treated seriously. That being said, we were fortunate to have an internal candidate who has a wealth of experience within the financial sector and municipal environment in particular who has been able to effectively function in this position in the absence of a formally appointed CFO;

q. **Performance Management**

The Performance Management Policy has been reviewed (as part of annual review) and updated in order to accommodate the Competency Framework as a matter of compliance. In addition, the policy has been divided into Group 1 (applicable to the Municipal Manager, s56 Directors and identified middle management from Task 15 and above) and service providers and Group 2 being applicable to all staff not deemed to be middle management from TASK Level 14 and below (inclusive of interns).

Improvements in its practical application in the workplace have also been noted and have been incorporated into the policy and Performance Management process overall. In addition, it must be noted that during this period this policy was rolled out to the level of middle management. As part of the review, all proposed changes to phase in the roll out of implementation to lower levels (below the middle management level) were incorporated into this policy. Additional rollouts are scheduled for the new financial year, although in reality this could take longer to implement. All changes are required to be considered by Management and the Local Labor Forum within the new financial year – and finally approved, adopted and implemented as detailed;

- r. **Levels of compliance with mSCOA.** Compliance in this regard is progressing well overall. It is particularly commendable that Senqu Municipality was chosen to represent the mSCOA pilot project for the Eastern Cape;
- s. Senqu Municipality's **Strategic Budgeting Model** has proved to be extremely successful and it must be noted that as a result of the accolades received Senqu Municipality's model is being used as the national standard;
- t. **Operation Clean Audit** continues and will constantly remain an ongoing focus for achievement;
- u. **Irregular, unauthorized and wasteful expenditure**
Regular reporting occurs monthly regarding any instance of unauthorised, irregular, fruitless and/or wasteful expenditure and any minor breaches are detailed. While minor breaches have been noted and reported on – due mainly to deviations from the Supply Chain Regulations and Policies, a great deal of improvement has been noted overall. Capacity building initiatives and additional training efforts are required ongoing within this area in order to ensure that this function is effectively managed, controlled and reported on;
- v. **Policy Updates**
Not all policies have been successfully reviewed and or updated. Those that were planned have been completed and the others prioritized due to financial constraints. The municipality has documented and approved internal policies and procedures to address planning, implementation, monitoring and reporting processes and events pertaining to performance management and financial reporting;
- w. Consultants have been appointed to examine from a holistic viewpoint, all current municipal by-laws in order to establish levels of compliance and review. This process is scheduled to be implemented within the new financial year. Where planned and catered for financially, review has taken place; and
- x. The record management of the municipality has been found to have been satisfactorily implemented in terms of its policies and procedures.

1.9.3 Financial Health

Senqu Municipality must be commended for its ability to show financial sustainability and financial health overall. For the sixth (6th) year in succession Senqu Municipality has received a clean audit report from the Auditor General and is also historically ranked by Ratings Africa as the best performing municipality within the Eastern Cape and second best nationally (in terms of financial sustainability indexes).

It is a fair assessment that overall a positive cash flow is enjoyed, and Debt Management has improved tremendously (although demographics continue to have negative impact and affect the rate base and other factors). Regular financial reporting occurs in terms of compliance and operational reporting.

1.9.4 Efforts to conserve power

As from the current financial year, indigents are being provided with free alternative energy sources. Senqu Municipality currently supplies households within villages in the rural area with Free Basic Alternative Energy (FBAE) in the form of paraffin and candles. From the previous financial year, of the 625 people that were receiving Alternative Energy, 128 households have been electrified. As a result, during this financial year there are a total of 497 people that were receiving Alternative Energy. Challenges continue to exist regarding the accuracy of qualifying dependants reflected on the Indigent Register and this relates directly with collecting information required to complete a substantiated Indigent Register. With these challenges in mind it is noted that the indigent verification was done through CAAT System on 27 May 2019 and 5705 persons were approved to receive the free basic service. The report will detail those reflected within the Senqu licensed area and those reflected within the Eskom “licensed” area.

Efforts continue unabated to improve the processes involved in the registration of free basic service delivery (FBS) within the community.

1.9.5 Administrative Policies

All identified policies have been reviewed and will be discussed further in the remaining chapters of this report. Policies have been formulated and updated where required in order to ensure that the required levels of compliance have been met in all prescribed areas. All staff receive the necessary training and correspondence required in order to ensure that legislative prescripts are met and to ensure that all parties have a good understanding of what is required of them in order to remain compliant.

In this manner, staff are effectively managed, Human Resources Management principles are effectively applied and day to day operations are successfully executed and performance optimized at every level.

1.9.6 Management of Performance

The Performance Management System Framework has been developed and refined since its inception in keeping with the prescriptions of the Municipal Systems Act (MSA), 2000, which requires that municipalities establish performance management systems that are “commensurate with their resources, and best suited to their circumstances”.

In developing and refining the current Performance Management Framework and related Performance Management System since its inception and over the past few years, due cognizance has been taken of the MSA, the Municipal Finance Management Act (MFMA) and Regulation 7(1) of the Local Government: Municipal Planning & Performance Management Regulations, 2001 and 2006. Notwithstanding, it is acknowledged that all policy frameworks are required to be regularly reviewed, updated and amended - especially in an effort to ensure that

they remain current and applicable. The current policy was reviewed and approved by Council in the council meeting of 26 October 2018.

One of the greatest amendments to the PMS Policy and Framework in its current draft is the fact that the policy has been split from one (1) into (2) policies. This was necessitated due to the fact that the performance management principles and practices for staff on and below TASK level 14 are very different to the prescripts governing the Municipal Manager, the s56 Directors and the Middle Managers. While staff at higher levels are impacted directly in respect of the reporting institutionally and in terms of PMS reporting, staff at lower levels have extremely operational and behavioral targets against which they are to be measured.

The first policy is aimed at the highest levels and ends at TASK level 15. The second policy relates to staff from TASK Level 14 and below. While performance management principles remain similar, differences relate to the manner in which performance rewards are recognized. The second policy also includes the performance assessment of interns - ensuring that the work experience gained is meaningful, that appropriate coaching takes place and that performance of interns is reported on appropriately and in the correct format. No monetary award or bonus is attached to the performance assessment results of interns.

It must be noted that the necessary groundwork and training has occurred in order to ensure that the system can be formally cascaded to the next level of staff i.e. staff from TASK levels 14 - 12 – to be fully implemented as from the 2019/2020 financial year period. 18 posts from TASK levels 14 to 12 were identified for this level of application.

An overall concern remains regarding the practice of performance management generally. This relates to the apathy with which performance reporting occurs generally. It is clear that certain Directors, Managers' and reporting staff do not take performance reporting seriously and appear only to regard this as a matter of compliance. This is a short-sighted practice in the extreme. In reality "performance management" should encompass a day to day work ethic and formal responsibility as senior and line managers. It therefor represents a critical management function – which is mandatory to the process of "managing staff".

It is acknowledged that the entire process of performance management will always be an issue as long as it is related to any form of reward. However, all that is required is to ensure compliance with policy prescriptions, to take the process of performance management seriously and to recognize that performance will remain a challenge until it becomes part of day to day management. It is a simple but effective management tool that benefits the employee and institution alike – providing that it is effectively applied.

1.9.7 **Conclusion**

In conclusion I must congratulate the Mayor, Exco, Councillors and staff alike. We have made a great team and by supporting one another we have managed to ensure that we have been able to successfully navigate the challenges and “choppy waters” along the way.

Senqu Municipalities success bares testimony to the manner in which both the administrative and political arms have managed to work together and with the community at large.

We look forward to another successful year – continuing to strive to excel and to continue to meet the needs of the community, so that a better quality of life may be experienced by all.

A handwritten signature in black ink, appearing to read 'M M YAWA', is written over a faint, horizontal, wavy line that serves as a baseline for the signature.

M M YAWA
MUNICIPAL MANAGER

1.10 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

1.10.1 Introduction to Background Data

This chapter will detail the geographical area of Senqu Municipality and the context in which it exists, together with demographics relating to the population itself. In this manner, insight into the challenges and situations faced by Senqu Municipality will be obtained and must be considered when determining context at any and every level.

1.10.2 Geographical Context and Overview of the Municipality

Senqu Municipality was established after the amalgamation of the following Local Authorities and towns:

- Lady Grey (including Transwilger and Kwezi Naledi);
- Barkly East (including Nkululeko, Fairview and Lulama Hlanjwa);
- Sterkspruit;
- Rhodes (including Zakhile), Rossouw; and
- Portion of Wodehouse (Dordrecht) and Indwe.

The Senqu area also covers commercial farms and villages of the former magisterial districts of Barkly East, Rhodes, Herschel, Lady Grey and Sterkspruit and portions of Wodehouse (Dordrecht) and Indwe.



Senqu Municipality is the largest Municipality in the Joe Gqabi District Municipality and spans an area of 6 772km squared. It is placed uniquely by bordering the Eastern Cape Province and Lesotho. It is characterized by mountains and beautiful rivers. There are many game-fishing opportunities and both agriculture and the potential for tourism are considered to be critical economic factors to nurture for growth. Elundini and Sakhisizwe Municipalities are in the south of Senqu Municipality and in the west is Maletswai Municipality. To the north is the border between the Eastern Cape Province and the Free State Province. The R58 and R392 are the key transport routes through this Municipality and these then link to the N6 at Aliwal North.

The municipality has three urban nodes viz. Barkly East, Sterkspruit and Lady Grey with Sterkspruit displaying the highest population growth rate. The rest of the municipality is characterised by small villages and communal and commercial farming land.

In examining the background detail, due cognizance must be taken of the efforts made by Senqu Municipality to satisfy basic service delivery requirements, while facing the many social and economic challenges.

1.10.3 Demographic Overview: Senqu Municipality (2017/2022 IDP)

- Senqu Municipality consist of 3 main towns i.e. Lady Grey, Barkly East and Sterkspruit;
- The dominant **home languages** are: Isi Xhosa, isiHlubi, seSotho, Afrikaans and English. A larger part of isiHlubi speakers can be found living within the Sterkspruit area;
- According to the 2001 Census, **86% of households are rural** in nature. This dynamic is shifting with the phenomenon of urban migration – particularly around the town of Sterkspruit (SDF 2016). In essence, people appear to be moving to live in villages which are expanding towards the urban centre of Sterkspruit. The previous practice of a rural countryside with scattered homesteads is disappearing and is now being replaced by many villages that are growing towards each other -- creating rural urbanization;
- There appears to be an “**out migration**” of people both out of the rural areas and to the urban areas and from JGDM to other districts. An inward migration from Lesotho to Mt Fletcher and Sterkspruit is also being experienced (Joe Gqabi WSDP 2010);
- **Population density:** As per the IDP 2017/2021 Senqu Municipality in 2016 has a higher population density than Joe Gqabi district at 19.3 people per square kilometre compared to 14.5 people per square kilometre. This is an increase from 2006 of 18.71 which is an annual growth rate of 0.33%. This was the lowest average annual growth rate in the District Municipality. This average is however less than the Eastern Cape Province of 41.5 per square kilometre (Ecsecc,2017:70-71). The majority of the population still reside in rural areas as opposed to urban area. This includes rural villages and farm households;

- **Average unemployment rate** of those **actively looking for employment**

As reflected within the IDP 2017/2022 and based on the official definition, more than one third (30.34%) of the economically active group within Senqu is unemployed while the district average is 23.54%. If one includes those not actively seeking for work, unemployment in Senqu is as high as 65% compared to 54% and 48% for the District and Eastern Cape respectively;

- **Literacy levels:** As reflected within the IDP 2017/20122 only 58.66% of the adult population can read and write as compared to the provincial level of 66.7% and the national average of 73.62%;
- **Skills Challenge:** It is noted that the majority of the adult population (32.21%) are unskilled and there is a major shortage of technical skills (currently reflected at only 0.19%). Notwithstanding, it is to be noted that Senqu has a relatively high proportion of professionally skilled persons (23.46%);
- **Income:**
 - 50.25% of the households earn no income at all.
 - 21.39% of households earn between R1 and R1600 per month; and
 - Almost two thirds of Senqu households are indigent. More than a quarter of the households (6 134) earn R400 or less per month.

NOTE: This reflects Senqu's low economic base, which negatively affects investor confidence, their investments and has serious negative repercussions for the economy and the municipality overall. Fewer people are able to sustain their livelihoods and afford to live and pay for services.

- While Senqu has experienced **positive economic growth** between 2000 and 2010, the economy has been unable to create meaningful benefits for the poor. The **poverty rate** is 62.93% (much higher than the provincial average of 53.61%);
- The municipality has a **very high youthful population** which requires a **high need for employment, secondary and tertiary education** in the region. Tertiary opportunities are offered outside the region. As summarized, Senqu Municipality experiences a youthful population with low skills levels and high unemployment. The majority of the population live in rural villages and rely on social grants. There is high migration to the more urban areas inside and outside the municipality for employment and educational opportunities. The high "out migration" to areas outside the municipality has an **annual season** with persons returning for Easter and Christmas holidays. Persons also tend to return to the traditional areas when they are faced with illnesses that require high caring from relatives;
- **The traditional employment opportunities in agriculture and the commercial sector for low skilled workers do not appeal to the better educated youth;**
- Senqu is a poor area with:
 - High levels of service backlogs;

- Poverty;
- Unemployment;
- A very small tax base to pay for services;
- Limited skills base; and
- Reliance on public sector employment.

NOTE: The Municipality disputes the accuracy of the figures relating to the population. Due to the scattered and mountainous terrain of the municipality, the rural population was not adequately accounted for in the census.

- **Population Figures & Gender and Race**

As per the statistics reflected within the IDP of 2017/2022 the following figures and statistics are additionally noted:

- The male/female split in population was 88.1:100 (Male: Female) in 2016. The Municipality effectively has more females (53.17%) than males due to the high “out migration” of males looking for work due to historical factors;
- According to (Ecsecc,2017:13) there were 75 400 (53.17%) females and 66 400 (46.83%) males;
- The largest population group is between 0-14 years of age who make up 32.7 % of the population and this indicates a very youthful population that the LED Strategy is required to take into account in order to ensure employment opportunities in the future;
- The category with the second largest number of people is the young working age (25-44 years) age; and
- The composition of the households by population group shows that Africans are the largest group of 97.3%, followed by Whites at 1.2% and then Coloureds at 0.9%. The smallest population group in terms of households is the Asian population group with only 0.6% in 2016 (Ecsecc,2017:17).

- **Poverty Levels**

The poverty gap measures the depth of poverty by measuring the average distance of the population from the poverty line and is expressed as a percentage of the upper bound poverty line, as defined by StatsSA. “It is estimated that the poverty gap rate in Senqu Local Municipality amounted to 30.0% in 2016 - the rate needed to bring all poor households up to the poverty line and out of poverty. In 2016, the poverty gap rate was 30.0% and in 2006 the poverty gap rate was 32.5%, it can be seen that the poverty gap rate decreased from 2006 to 2016, which means that there were improvements in terms of the depth of the poverty within Senqu Local Municipality (Ecsecc,2017:63)”.

1.10.4 Service Delivery Challenges

A number of Service Delivery challenges appear to exist, and these are reflected generally as follows:

a. Water

As per STATS SA, 2011: 7 209 households out of 38 046 households reflect the unserved population. This figure reflects a percentage below 20%;

b. Sanitation

Sanitation provision has improved, and it is noted that currently 6,7 % of the population does not have any access to sanitation at all (STAT SA,2016). Senqu continues to work towards eradication all old, “decaying” and poorly designed water and sanitation systems that simply cannot handle the current demands placed upon them;

c. Electrification and Telecommunication

It is acknowledged that these networks are mostly inadequate and poor quality is experienced in many areas. In addition, it is noted that a great deal of electricity leakages/losses are experienced, and it is the intention to address this in a manner that produces desired outcomes and reduces these losses;

d. Waste management

While success has been achieved with the waste removal function, it is acknowledged that challenges are experienced in terms of old vehicles that require maintenance. The development of solid waste sites and the maintenance of solid waste sites can be challenging (especially in terms of supply chain management issues and when attempting to obtain required Environmental Impact Assessments as these are reliant on third parties). Recycling efforts also remain limited due to financial constraints;

e. Environmental Management

Service delivery within this area is poorly provided due to limited financial and human resources provision. This makes it extremely difficult to enforce related by-laws. As a direct consequence, many town planning by-laws are broken, and illegal land invasion occurs regularly. The greatest challenges faced in terms of environmental issues **include** the following:

- Alien vegetation eradication (specifically the Crack Willow which grows along the Kraai River and sucks up litres of water);
- Firewood collection that results in the destruction of trees;
- Grassland burning (indiscriminately) which heightens air pollution and loss of biodiversity;
- Dipping tank locations as these can poison water supplies (from streams);
- Borrow Pits which are not adequately rehabilitated;
- Drainage culverts that can either hinder or promote gulley erosion;
- The proximity of all wastewater treatment works which may result in water

contamination (risk of flood damage and spillage into dams, rivers and wetlands) causing contamination generally and risk to animals);

- Soil erosion which is the highest in the Joe Gqabi District Municipality (JGDM) due to marginal soils being utilised for inappropriate agricultural practices;
- The registration and management of solid waste disposal sites;
- The lack of recycling at waste sites;
- The burning of and inadequate collection of waste at times that may lead to illegal dumping;
- Inappropriate land and hygiene practices leading to increased sedimentation and pollution of fresh and groundwater sources; and
- The increased invasion by alien and undesirable species like Slangbos and blue bush near Lady Grey and limited protection of environmental sensitive areas.

Overall it may be stated that limited financial and human resources make it extremely difficult to control the environmental factors that present themselves.

f. Access Roads and Bridges

Access roads and bridges in the rural areas are generally of a very poor standard, due to the lack of maintenance and staff. It is also noted that rural people do struggle to access services due to these factors and especially during the rainy period when the roads become impassable and flooded. Access to clinics and schools remains a challenge as people are required to walk long distances and the quality of the service is limited.

1.10.5 Concluding Statements: Demographics

- a. Population studies have indicated that Senqu is characterized as having a youthful population with low skills and high unemployment. There is there for a high need for tertiary and secondary education;
- b. The majority of the population lives in rural villages and relies on social grants;
- c. The majority of the population are black Africans;
- d. There is high migration to the more urban centres inside and outside the municipality for employment and educational opportunities;
- e. The high “out migration” to areas outside the municipality presents as an annual season with persons returning for the Easter and Christmas holidays;
- f. Senqu has an exceptionally low rate base;
- g. There is a corresponding need for infrastructure and social services due to the high number of indigent people. This means that there is a risk that the Equitable Share contribution will remain insufficient to provide basic services as set out in the Constitution;
- h. Agriculture and Tourism are the major economic drivers of the local economy;

- i. Tourism reflects as a key potential economic sector, and economic driver, particularly with the inclusion of the country's only ski resort, Tiffendell; and
- j. Senqu is characterised by scenic beauty, hiking and wildlife attractions and trout fishing.

Natural Resources

NATURAL RESOURCE	
Major Natural Resource	Benefit / Potential
Mountains	Beautiful scenery (adventure and agricultural tourism)
Wind	Off grid and cleaner sources of electricity from wind
Rivers	Game fishing and tourism

More specifically and as reflected within the IDP it must be noted that Senqu's rugged terrain is able to be utilized for adventure and agricultural tourism which is already occurring, such as the case of the "Salmon Skyrun".

Numerous varieties of sandstone are available and have a variety of uses, such as: building bricks or paving - as is being provided from Hershel Sandstone. It must be noted that there is also a great deal of fine river sand for building purposes, but this needs to be monitored as a great deal of illegal sand mining occurs without permits.

The high levels of wind and solar energy facilitate the use of greener energy alternatives such as wind and solar energy (JGDM Environmental Management Plan 2011). Despite this it is acknowledged that these types of alternatives require further study and mapping.

The Senqu District is home to many bird species and a vulture restaurant is located near Lady Grey. It contains many species of the unique alpine plants and an example of this is the red-hot poker which does not grow anywhere else.

In addition, many paleontological species are being discovered in the area with many dinosaur skeletons as well as rock art.

1.11 SERVICE DELIVERY OVERVIEW

1.11.1 Service Delivery Introduction

Free Basic Water and Free Basic Sanitation statistics are handled by Joe Gqabi District Municipality (District Municipal Function) and not Senqu Municipality.

FREE BASIC REFUSE REMOVAL					
No. of Indigent (poor) beneficiaries	No. of other beneficiaries (non-indigent)	Total beneficiaries	Level of Service	Type of subsidy e.g. Equitable Share	Frequency of waste collection e.g. once a week or twice a week
1 531	0	1531	On site appropriate & regularly supervised disposal	Equitable share	Once a week
			Community transfer to central collection point	0	0
			Curbside Collection	1532	1 x Week
			Other (Please specify)	0	

FREE BASIC ENERGY TBC	
No. of Indigent (poor) beneficiaries	13 027
No. of other beneficiaries (non-indigent)	0
Total beneficiaries	12 530
No. of Indigents configured in Eskom database	11 661
No. of Indigent who collected tokens and the % thereof	8 269
Beneficiaries provided by Eskom	7 533
Beneficiaries provided by Municipality	736
Non-grid energy Beneficiaries	497
level of Service (e.g. 50 Kwh per household) or the Rand value in the case of non-grid	259.82

1.12 FINANCIAL HEALTH OVERVIEW

As per the Auditor General's Report for 2018/2019 Senqu Local Municipality received a clean audit. The financial health of the organization and its management is therefor considered to be excellent overall. A broad overview is provided as follows:

- 1.12.1 Senqu Municipality has received a clean audit for the sixth year in succession;
- 1.12.2 The municipality's liquidity is considered to be relatively sound as the current ratio by far exceeds its short-term obligations. In the current financial year Senqu Municipality achieved a liquidity ratio of **7.51** and an operating surplus of **R 68 025 974**;
- 1.12.3 During 2018/2019 four (4) Quarterly Reports of Unauthorised, Irregular, Fruitless and Wasteful expenditure and Minor Breaches were submitted. There were two incidents of irregular expenditure that were incurred within the month of June 2019. This involved a case of "deviations from supply chain management regulations" and a case of "non-compliance with the BBEEE Act";
- 1.12.4 Irregular expenditure increased from **R 0** during **2017/2018** to **R 14 235 461** in the **2018/2019** financial year;
- 1.12.5 Fruitless and Wasteful expenditure for the financial year (2018/2019) amounted to **R 74 692** while it is noted that a figure of **R 34 692** was incurred during 2017/2018;
- 1.12.6 Zero tolerance will be implemented in respect of unauthorised, irregular, fruitless and wasteful expenditure moving forward;
- 1.12.7 Under expenditure for conditional grants occurred mostly in the Electrification grant provided by the Department of Energy. ESKOM had previously provided electricity boxes which were connected via the grant. The provision of these boxes was then rescinded, and the municipality were then required to purchase these boxes via the procurement process. This delayed the timing of the spending of the grant;
- 1.12.8 Assets and liabilities are well managed overall when taking into account available budget and accepted practices. The assets are governed by the Asset Management Policy and liabilities are informed by recognized practices and principles regarding long-term borrowing;
- 1.12.9 This municipality is acknowledged for paying its creditors within 30 days, as is stipulated by the MFMA (except in situations where there have been disputes between the Municipality and the creditor);

- 1.12.10 Employee costs have been underspent due to the vacant funded posts that have not yet been filled;
- 1.12.11 An overriding challenge is always to ensure that outstanding debt levels are minimized as this affects cash flow directly. Strict credit control measures are executed (as per Credit Control Policy and By-Laws) in order to ensure that this situation is effectively managed;
- 1.12.12 During the Adjustment Budget process, the original amount for repairs and maintenance was increased from R 10 287 981 to R 11 009 112. This represents an increase of R 721 131. The Adjustment Budget was subsequently underspent by 17% due to planned maintenance not occurring as planned in the adjustment budget phase, with actual expenditure amounting to R9 167 747;
- 1.12.13 Long term liabilities are expected to decrease within the future financial period as initial loans are redeemed and no additional loans are expected to be undertaken;
- 1.12.14 Reporting to National Treasury in respect of performance reporting is being well achieved within the prescribed periods;
- 1.12.15 Senqu Municipality was chosen to be the pilot site for the implementation of mSCOA – which was applied nationally during 2016 as a matter of compliance. Financial and support systems are becoming more integrated with mSCOA requirements and performance reporting and it is fair to say that mSCOA is progressing well;
- 1.12.16 The OPCA Project (Operations Projects Clean Audit) has progressed exceptionally well and the challenge moving forward is to ensure that this achievement can be sustained;
- 1.12.17 The introduction of GRAP has become more readily available and this allows information to be presented correctly in many instances. Despite this, difficulties are experienced in terms of the information required for property, plant and equipment, inventory, external valuations of employee benefits and tip site provisions;
- 1.12.18 It is noted that the Internal Audit and the Audit Committee are required to work together in order to review the Strategic and Annual Performance Plans and to ensure that all aspects of the Audit Action Plan are addressed – while ensuring that appropriate and valuable reporting occurs;

- 1.12.19 The quality of quarterly and monthly reports is at all times required to be addressed and suitable and timeous action is required to be taken to rectify any issues identified (financial, pre-determined targets or otherwise). Oversight from managers and the Internal Audit/Audit Committee is required; and
- 1.12.20 Zero tolerance will be implemented in respect of unauthorised, irregular, fruitless and wasteful expenditure and in respect of the potential qualification, due to the failure to detail and report on predetermined objectives and National Treasury views on non-priority spending.

The following dash board information and tables indicate the municipality's performance in terms of National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the MSA. These key performance indicators are linked to the National Key Performance Areas.

As an overall assessment, the following indicators are highlighted (unaudited figures)

	2017/2018	2018/2019
Capital charges to Operating Expenditure	23%	9.7%
Liquidity: times	8.8	7.51
Outstanding debtors to Annual Revenue	6.9%	25.82%
Creditors to cash	3%	5%
IDP regulation financial viability figures		
Debt Coverage	97.5%	16.6%
Outstanding Service Debtors	74%	27%
Cost Coverage	23 Months	25 Months

1.13 ORGANIZATIONAL DEVELOPMENT OVERVIEW

1.13.1 Organizational Development Performance

Reference is made to Chapter 4 as this issue is dealt with and reported on extensively in this section.

a. Introduction to Employee Personnel

This aspect is to be examined with reference to Chapter 4.

The Human Resources function is considered to have been well managed overall. Generally, and with specific reference to staffing the following points are noted:

- i. While efforts to strictly adhere to the Human Resources Strategy, Recruitment and Selection Policy and the Employment Equity Plan when planning for the appointment of staff it must be noted that targets have not been met in respect of turnaround times relating to appointments i.e. to be made within 3 months. It appears that filling of vacant posts has taken closer to between 4 to 5 months. By way of example, the position for Contract Management & Vendor Performances was only filled after 4 months; the post of General Assistant: Refuse was only filled after 5 months and the post of Traffic Officer was filled after 5 months. Delays appear to occur with the Recruitment and Selection processes and in some instances additional criteria as with the filling of the Traffic Officers post which required only local residents to qualify. Consequence management is required to be strengthened by the municipality in all instances where negligence and inefficiency contributes to these delays and it is required that the Recruitment and Selection Policy be followed to the letter – without external interference;
- ii. Overall the Employment Equity targets have been over-achieved for target groups employed in the three highest levels of management, in compliance with the municipality's approved Employment Equity Plan. More specifically it is noted that:
 - a. **Middle Management deemed to be Senior Management:** The targets for the Employment Equity (EE) Plan 3 of 1 x Coloured Male, 1 x Coloured Female and 1 x African Male were achieved, with an improved variance of 1 x Coloured Male, 1 x African Female and 1 x African Male;
 - b. The Municipality's **top management posts** (rescission of contracts) are currently a matter of sub judica. Notwithstanding, targets as at 30 September 2018 (EE legislated reporting date) have been met within the top the management level. It is noted that Senqu LM's targets remain consistent within such category of management before the rescission of contracts; and
 - c. Within the level of **professionally qualified and experienced specialists and mid-management**, the Employment Equity Plan Target of two (2) i.e. 1 x African Male and 3 x African Females was over-achieved with Senqu LM appointing 3 x African Males, 1 x Coloured Male and 3 x African Females.

It is noted that there has been an increase is attributed to the broader advertising that is taking place and to the ratings and assessment of performance of the municipality by independent bodies.

- iii. The Employment Equity Plan was reviewed quarterly and reporting was conducted as required. The Employment Equity Report was captured on the Equity Registry Site before the legislated date for electronic submissions i.e. 15 January 2019;
- iv. All staff are in possession of job descriptions and these were written according to the TASK system of Job Evaluation. Notwithstanding, the Municipality recently underwent a restructuring exercise and currently all job descriptions are being redrafted according to said new structure. The job descriptions will be re-evaluated by the PJEC'S appointed locally. This will continue to occur thereafter, as and when there are changes to either the organizational structure or the job profiles;
- v. The organogram has not been reviewed and this process was affected by a recent court case in that in terms of certain sections of the MSA 7 of 2011 as amended, remains unconstitutional /ultra-virus. In terms of this the organogram is no longer approved by Council but by the Municipal Manager (MM). The review of the organizational structure will be held over until the Job evaluation (JE) process is completed and an item to support this was presented and approved at a Top Management Meeting. The Municipality remains committed in all endeavours to recruit qualified and experienced individuals in all key positions;
- vi. Skills Retention remains a challenge, especially due to the geographical location of the municipality (rural nature) and the inability to offer competitive salaries; and
- vii. Staff capacitation remains of critical importance and the development and the implementation of the Workplace Skills Plan ensures that this occurs in a planned manner.

b. Managing the Municipal Workforce

Numerous and varied efforts have been made in order to ensure that the municipal workforce continues to be effectively managed. Historically it is noted that a strong administrative support structure was created in order to facilitate this process. More specifically, it is noted that:

- i. Policies and procedures have been put in place, not simply as a matter of compliance, but to ensure that the manner in which work is performed occurs under guidance and with fairness to both the employer and employee. Funding constraints are the greatest challenge experienced when attempting to ensure that this occurs;
- ii. The reviewed and updated Performance Management Policy was approved by Council in October 2018. This policy is split into 2 groups (group 1 being applicable to s56 employees and identified middle management from Task 15 and above) and Group 2 being applicable to all staff not deemed to be middle management from TASK Level 14 and below. The policy has also been written to accommodate the new Competency Framework Regulations.

The scope of this policy also extends to the cascading below the level of middle management and the assessment / management and rating of interns and service providers;

- iii. Occupational Health and Safety Committees have been formed and are functional with reporting occurring as required. Ongoing efforts are being made to ensure that safety in the workplace remains a focus for improvement ongoing;
- iv. 14 Municipal By-laws were required to be promulgated. This target was exceeded, and 22 by-laws were promulgated under gazette no 4217 vol 26. The public notice informing the communities of this was made public during the month of May 2019 under notice number 65/2019;
- v. Policy review and implementation of Finance related HR Policies did not meet the required target. Ongoing discussions between Management and Unions on policy formulation processes delayed the process of reviewal. Management has made inputs on policies to be reviewed and these went to the fourth quarter Council meeting which sat July 2019.
- vi. Risk is managed through the establishment and implementation of a Risk Management Plan.

c. **Capacitating the Municipal Workforce**

Emphasis continues to be placed on capacitating Councillors, Management and staff and overall this target has been well achieved. More specifically:

- i. The Workplace Skills Plan (WSP) together with all supporting documentation was submitted by 30th April 2019 and receipt was acknowledged by LGSETA. The WSP is aligned to the IDP performance objectives and incorporates the future needs of the Municipality and Personal Development Plans;
- ii. Efforts are made to ensure that only competent service providers are used in the delivery of training initiatives and to this end “value add” is imperative;
- iii. The appointment of a Skills Development Facilitator during the current financial year in order to facilitate this process and function;
- iv. The implementation of the training plan and reporting in terms of the implementation plans;
- v. The annual training target was exceeded by 23 training initiatives. 55 training initiatives were implemented in the 2018/19 financial year. Specific and critical training initiatives that are identified by departments are implemented as the first priority. Additionally, budget dependant specific departmental interventions that contribute to increased operational efficiency are identified and funded. In an attempt to assist in “stretching” the

training budget, a Performance Recovery Plan was put in place in order to assist the Skills Development Facilitator with this challenge and to be able to increase the training interventions provided.

Training for Councillors resulted in a variance of timeframes as compared with the original target although overall the targets were exceeded in terms of quantity. The annual target of two training initiatives was achieved – During quarter 1, one training initiative was implemented for councillors and during quarter 2, one training initiative was implemented for councillors. Two unplanned interventions occurred as follows: during Quarter 3, two training initiatives were conducted for Councillors in order to improve the radio and TV interviewing skills (media training) and to remind Councillors of their oversight role (intergraded Council Induction Programme Phase 2). During Quarter 4, all councillors were trained on the Legislative Framework for Councillors Training;

- vi. The development and approval of a training policy and study bursary policy (used to optimize the knowledge and skills of human resources within the organisation) and focused efforts to create a learning organisation; and
- vii. Ensuring that the Municipality continues to enrol designated staff in the prescribed competency training so as to ensure that they meet all minimum competency levels as prescribed in terms of the Minimum Competency Regulations of 2007.

d. Managing Workforce Expenditure

Very strict protocols exist in an attempt to ensure that workforce expenditure is managed effectively and correctly. Protocols are in place to ensure that any changes to the payroll are checked and audited, prior to any change being sanctioned.

Failure to ensure that all controls are instituted will result in a greater degree of inaccurate data and an inability to identify and remedy any discrepancies between systems.

1.14 AUDITOR GENERAL'S REPORT

Report of the Auditor-General to the Eastern Cape Provincial Legislature and the council of Senqu Municipality

Reference is made to Chapter 6 in which this document is now incorporated

1.15 STATUTORY ANNUAL REPORT PROCESS

ANNUAL REPORT PROCESS TABLE		
No.	ACTIVITY	TIMEFRAME
1.	Consideration of next financial year's Budget and IDP process plan. Aside from legislative plan should conform with in-year reporting formats so that reporting and content, this process monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2.	Implementation and monitoring of approved Budget and IDP commences (in-year financial reporting).	
3.	Finalisation of the 4 th quarter report for previous financial year.	
4.	Submission of the draft year's Annual Report to Internal Audit and Auditor-General	
5.	Municipal entities submission of draft annual reports to Municipal Manager	
6.	Consideration by the Audit/Performance committee of the draft Annual Report of municipality and entities (where relevant)	August
7.	Tabling by the Mayor of the unaudited Annual Report	
8.	Municipal submission of draft Annual Report (including consolidated annual financial statements and performance report) to Auditor General	
9.	Annual Performance Report submitted to Auditor General to be provided as input into the IDP analysis phase	
10.	Auditor General auditing of Annual Report, including consolidated Annual Financial Statements and Performance data.	September – October
11.	Municipalities receiving and starting to address the Auditor-Generals comments	November
12.	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	
13.	Audited Annual Report is made public and representation is invited	
14.	Oversight Committee assesses Annual Report	
15.	Council adopts Oversight report	December
16.	Oversight report is made public	
17.	Oversight report is submitted to relevant provincial councils	
18.	Commencement of draft Budget/IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input.	January

1.15.1 Comments on the Annual Report Process

The table above defines all the deadlines required to be met in terms of compliance. In this manner it is ensured that all required reporting occurs timeously and is an accurate consolidation of all required reporting.

The Annual Report is acknowledged as the strategic document that accurately depicts an annual review of performance for the entire year. It is this document that will be used for all forward

planning and for this reason it is imperative that there is alignment and verification between all content shown between and within the IDP, SDBIP, Budget (AFS) and the Annual Report.

The Annual Report is required to reflect the most accurate, aligned and consolidated version of all preceding documents. This is achieved through a very structured process of auditing (internally and externally). Through validation and confirming the accuracy of data, the Annual Report may be used to inform the IDP review process; the structuring of the organogram; the development of SDBIP's; Performance Planning; the development of the Budget and the like.

The Annual Report provides a holistic view of the organization – its challenges, available resources and records of performance.

The Annual Report is required to comply with very definite prescripts and timeframes as follows:

- The Annual Performance Report (s46) and Annual financial statements were compiled and submitted to the Auditor General by 31 August 2019; and
- The draft Annual Report 2018/2019 will be tabled by 31 January 2020 and the final Annual Report (with related oversight reporting) will be submitted to Council 31 March 2020.

DISCLAIMER

The information provided within this report is reliant on the information provided by the various Directorates. Difficulties in validating data continues to be experienced and as such, the accuracy of all information provided cannot be assured.

It is the responsibility of all Directorates to provide the required information which is then required to be collated and submitted within the correct format. While it is acknowledged that certain directorates have attempted to provide this information as requested, most have not complied – perhaps due to recent issues that have surfaced in respect of certain contracts. Despite this, all parties are still within the employ of Senqu Municipality and are thus bound to provide required information and not to impede progress – especially in an area such as this, which has compliance responsibilities.

Staff within certain directorates appear to believe that it is the responsibility of the collators and the co - ordinators' to provide all required information. This is unacceptable as the report is that of Senqu Municipality (with each directorate taking full responsibility for information relating to their specific directorate). Content and the accuracy thereof is not the responsibility of the collators' and the coordinators' – their role is simply to obtain, collate, align and restructure information provided and not to verify this in any way. In addition, it is the technical responsibility of all relevant directorate staff to provide inputs regarding performance and issues within their own directorates. They are required to take responsibility for any inputs provided as they are aware on a functional level as to what information is applicable / relevant. Under these circumstances the collators and the coordinators cannot be held accountable for the quality/accuracy/absence of information provided or the lack thereof.

This is the third draft of this report. While limited inputs have been received and acknowledged, it is understood and accepted that certain information may still be lacking from the information provided. The information is thus being presented with the full knowledge that certain of the

detail provided might not reflect the required levels of accuracy. It is further noted that every effort has been made to align reporting to the information contained within other strategic and reporting documents.

In instances where information is found to be lacking or inadequate you are hereby advised that the coordinator of this report has only been able to work with the information provided to them – and as much as they have attempted to validate this where possible they cannot be held accountable – for the reasons reflected above.

This is an extremely serious situation and must be regarded and handled as such ---- failure to comply and provide accurate data may have serious consequences for Senqu Local Municipality. Under these circumstances it is advisable that this situation be taken up formally with MPAC and following investigation - those persons who are found to be non-compliant in this regard need to be issued with the relevant compliance order so that this matter may be addressed formally, appropriately and once and for all.

Chapter 2



Governance

Senqu Municipality

CHAPTER 2: GOVERNANCE

INTRODUCTION TO GOVERNANCE

There are four components that are required to be taken into account when examining “Governance” and these illustrate the interdependence and interaction that is critical in order to ensure that the organization functions effectively and achieves required outcomes.

Governance is discussed under the following four (4) components:

Component A: Political and Administrative Governance

Component B: Intergovernmental Relations

Component C: Public Accountability and Participation

Component D: Corporate Governance

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Formal political and administrative frameworks and infrastructure have been created internally and externally in order to facilitate and enhance operational performance. Through appropriate policy created for this purpose, structures (political and administrative) have been created and implemented, procedures and compliance prescriptions have been developed in an effort to aid and direct day-to-day operations. Overall an appropriate infrastructure and support system has been created in order to ensure that political and administrative governance occurs optimally.

Senqu Local Municipality is driven operationally by its strategic objectives which are adjusted annually and aligned to identified community needs, pre-determined targets nationally and dictated additionally by realistic assessment of the organization’s available resources and infrastructure. The annual strategic objectives as reflected within the organizations Integrated Development Plan (IDP) are a set of realistic annual targets that are cascaded operationally from the IDP throughout the organization, in order to ensure that they remain the focus and are achieved. These objectives are initially translated into the performance targets that are reflected within the Service Delivery and Budget Implementation Plan (SDBIP). These targets are then cascaded and translated further on an operational level by the setting of operational and management targets within the relevant performance scorecards found within each directorate. This process facilitates that performance targets are monitored and met over a designated period of time and in the manner prescribed. Ultimately these performance targets will be translated into the targets of each employee. The successful achievement of these objectives is dependent on the available resources i.e. operational, human and financial.

Functions of the political arm:

To advocate and protect the needs of the community and in this manner, to facilitate the possibility of a better quality of life for all; and

- To communicate effectively by involving all members of the community in decision – making wherever practical and possible. In this manner a “people-centred government” is achieved.

Functions of the administrative arm:

- To ensure that there is sufficient infrastructure (human capital, resources, policies and procedures) in order to ensure that the strategic objectives can be met through effective management and control of operations, service delivery and matters of compliance; and
- To provide an overall supportive and administrative role and function.

2.1.2 Political Governance

Introduction to Political Governance

As per the Municipal Structures Act, Act No. 117 of 1988, Senqu Municipality has a **Council Executive System**. In terms of this and as depicted within the diagram below, it presents as a democratically elected Category B municipality with a structure that is categorized by elected Ward Councillors and Proportional Representative Councillors.

Political Structure 2016-2021



Councillors are allocated to Standing Committees that meet monthly. Formal decision making is enhanced at every level by having Councillors engaged in discussions at the level of Standing and other Committees. This facilitates informed and appropriate decisions at higher levels as their inputs and votes are made from a place of knowledge and additional insights – issues having already been discussed at lower levels. Through these committee meetings Councillors are better placed to make “informed decisions” and appropriate recommendations to Council for final approval.

a. Councillors

Refer to Appendix A (Chapter 6: Glossary): Full list of Councillors (including the Committee allocations and attendance of Council meetings).

The Senqu Municipal Council is comprised of 34 Councillors (Ward Councillors and Party Representatives) and this is reflected as follows:

Party Representatives: 17

Ward Councillors: 17

Administrative responsibilities of Councillors/Council

- Quarterly attendance of Council meetings and Special Council meetings (convened to address urgent issues);

- Taking part in political decisions regarding service delivery;
- Provision of an oversight role regarding Council;
- Compliance with Chapter 3 of the Municipal Systems Act, (Act No. 32 of 2000). It is legislated and understood that the executive and legislative authority of a municipality lies with the Council and Council is required to take all the decisions of the municipality subject to s59;
- Executive Committee meetings are convened monthly and are constituted as follows: The Mayor, Political Heads of Standing Committees and the top management of the municipality; and
- Standing Committees meet monthly in order to discuss or recommend that certain actions are taken by the Executive Committee or Council. These committees are chaired by the Portfolio Councillors who form part of the Executive Committee members. The other members are Councillors, who are elected by political parties, traditional leaders and the administration.

b. Committees of Council (Standing Committees, MPAC, Traditional Leaders, Ward Committees et al)

Reference is made to Appendix B (Chapter 6: Glossary) which details all the committees applicable to Councillors and their purpose.

c. Standing Committees

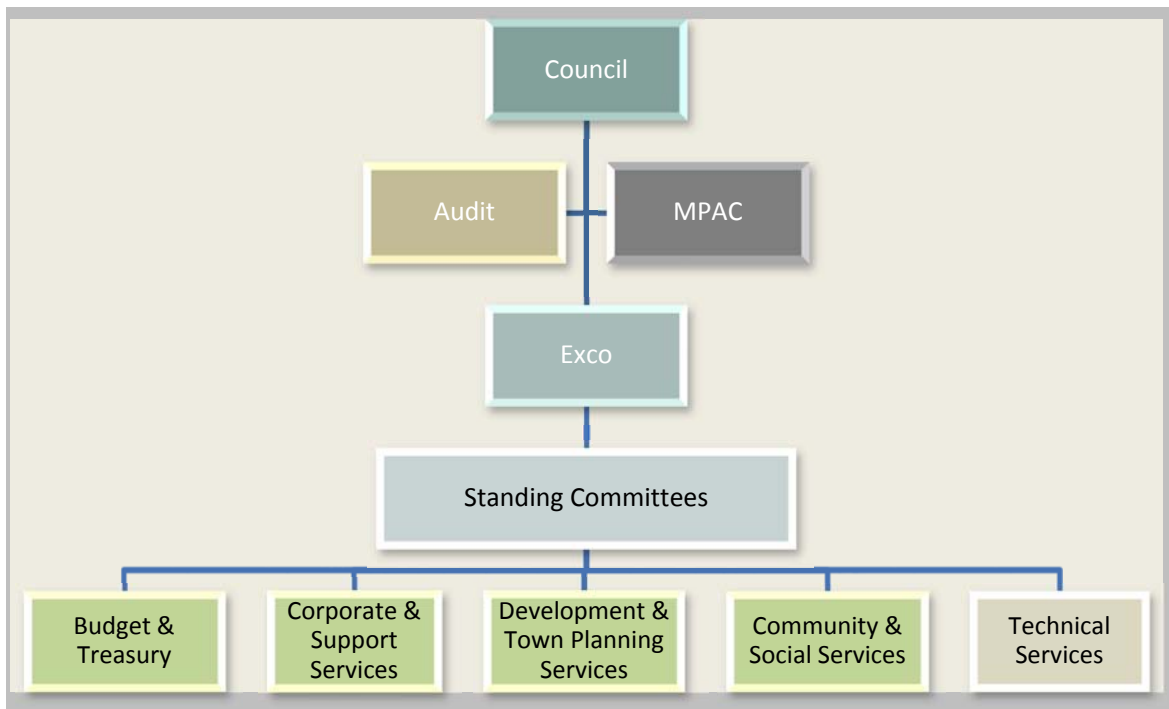
- There are 5 Standing Committees, and these correspond with the 5 Directorates (detailed within table that follows);
- Committee meetings are held monthly as scheduled;
- Information and recommendations from these are submitted to the full Council, for consideration; and
- All Councillors are required to serve in the Standing Committees with the exception of both the Mayor and the Speaker.

The role and function of the Standing Committee is to ensure that the process of informed decision making is facilitated. Councillors who serve on these Committees become more knowledgeable about the directorates with which they are linked. In this manner and with heightened knowledge they are able to make more informed decisions regarding the challenges and operational issues facing the directorate in whose committee they serve. When issues are referred to full Council, they are able to contribute at a higher level and guide discussion in a helpful, positive and insightful manner. In this manner, decision making abilities are greatly improved and decisions made are regarded as being “informed decisions”.

Approved and functioning Standing Committee Structures (as reflected within the table that follows):

DIRECTORATE	FOCUS AREAS
<u>BUDGET & TREASURY</u> Chairperson: Cllr P M Mnisi Councillors: Cllr K Mpiti Cllr S Ntlwatini Cllr Z S Khoba Cllr R Lose	<ul style="list-style-type: none"> • Management of financial resources <ul style="list-style-type: none"> – Budget and Treasury, – Revenue Services, – SCM, – stores and Expenditure Management • Policies, Procedures and By-lays (MFMA and National Treasury) • Financial support to all Departments • Information Technology Support • Fleet Management • eNatis Licensing
<u>DEVELOPMENT AND TOWN PLANNING</u> Chairperson: Cllr M Moshasha (Chief Whip) Councillors: Cllr M Sehloho Cllr N Nyongwana Cllr A P Kwinana Cllr M Mgojo	<ul style="list-style-type: none"> • Support to community participation structures • Housing, Town Planning and Land Use Management • Performance Management • Integrated Planning and Economic Development • Governance and Compliance – Risk Management • Strategic Planning • LED
<u>COMMUNITY AND SOCIAL SERVICES</u> Chairperson: Cllr S Ndzongana Councillors: Cllr N C Mraji Cllr D J Somsila Cllr Mqakelana	Community based service provision <ul style="list-style-type: none"> • Cemeteries, • Environmental management, • Libraries and amenities • Traffic Services – Law enforcement • Community based by-laws • Waste Management and Refuse
<u>CORPORATE & SUPPORT SERVICES</u> Chairperson: Cllr G N Mbonyana Councillors: Cllr S Mfisa Cllr N January Cllr N Y Monakali	<ul style="list-style-type: none"> • Council Administration, Assets and Building Preservation • Council Support and ward support • HR & Labour Relations • Stakeholder Relations – participation • Customer Care/ Presidential Hotline • Legal Services / Compliance • Special Programmes (HIV Aids Youth, disabled, elderly and woman) • By-Laws Facilitation • Document Management • Fleet Management
<u>TECHNICAL SERVICES</u> Chairperson: Cllr T Dumzela Councillors: Cllr A M Phuza Cllr C Kibe Cllr J Mposelwa Cllr X G Magcai	<ul style="list-style-type: none"> • Infrastructure Development (Maintenance and Minor Construction) • Technical Service Delivery • Electricity • Roads (Maintenance and Minor Roads Construction) and Stormwater • PMU Project Management /Administration

d. Oversight & Audit



The diagram above illustrates the manner in which oversight occurs. The oversight role is completed by the following critical structures who engage in oversight, auditing and audit verification:

- Audit Committee
- MPAC (Oversight Committee)
- Auditor General (external auditor)

Note: Decision making occurs according in the following hierarchy: from Standing Committees to EXCO and finally to Council. In this manner, an informed decision is made possible. Oversight is provided by the relevant structures - ensuring compliance and correctness of operation at all times.

e. Audit Committee

Committee responsibilities and performance:

- The following meetings were formally scheduled and held in terms of compliance and additional meetings were held as required and with the Auditor General South Africa(AGSA):
 - **Quarter 1:** 27 August 2018
 - **Quarter 2:** 22 October 2018
 - **Quarter 3:** 2 April 2019; and
 - **Quarter 4:** 20 June 2019;

- ii. The Audit Committee was established in terms of s166 of the MFMA 56 of 2003 and is comprised of four (4) independent members;
- iii. This Committee is bound by the Council approved Audit Committee's Charter;
- iv. The Committee performs an advisory function and role for the municipality and is directly accountable to Council. It plays a key role in ensuring that there is accountability and transparency within the organization;
- v. The quarterly performance information is required to be reviewed in terms of compliance;
- vi. The unaudited financial statements are required to be reviewed prior to submission to the Auditor – General as per prescriptions of compliance;
- vii. The committee is required to provide an objective view on the effectiveness of the municipality's risk management processes during each quarter in terms of compliance and specific feedback is then required to be provided to the Accounting Officer and Council in this regard;
- viii. The committee is responsible for oversight on the integrity of financial controls, combined assurance, compliance management and meaningful integrated reporting to stakeholders;
- ix. The committee is required to discharge its responsibilities by using work done/information received from the internal audit unit and other information presented to it by the management at its quarterly meetings;
- x. The committee minutes contain comments, resolutions and reports on work performed by the internal audit and the committee, and these are required to be approved during the quarterly meetings; and
- xi. Approved internal audit reports are required to be distributed quarterly to the Accounting Officer, the Mayor and the chairperson of the Municipal Public Accounts Committee (MPAC) for notification and to management for action.

Audit Committee Recommendations:

Reference is made to Appendix G in Chapter 6 for the full set of recommendations made for 2018/2019 based on the Auditor General's Report.

The Report of The Audit Committee to the Council of the Senqu Municipality for the year ended 30 June 2019 is summarized as follows (full report contained within Chapter 6):

Efficiency and Effectiveness of Internal Control

While the Auditor General was comfortable with the internal controls utilized within the internal control environment, the Internal Audit identified areas for improvement and will prioritize these especially in respect of improving performance reporting.

Internal Audit Activity

While the Internal Audit continued to be effective and fulfilled its mandate (Section 165 of the Municipal Finance Management Act, encapsulated in the internal audit plan and in the internal audit charter), it was recognized that some challenges existed that related to the capacity of the Internal Audit. This was due to the unavailability of senior personnel and more specifically, the Chief Audit Executive. This has impacted on work overall, despite planned work being undertaken. Other work was marginalized as a result.

Risk Management

While Risk Management was considered to be effective in the year under review, it was recognized that there was no fully functional internal risk management committee which would assess risks formally throughout the year.

Accounting Policies

It is recognized that accounting policies adopted by the Municipality complied with Generally Recognised Accounting Practice standards, and these were accepted by the Auditor General.

Review and Evaluation of the Annual Financial Statements

The review of the financial statements has identified that the Municipality does not have permit or licences for all of the landfill sites currently in use and as such could be liable for a penalty in terms of section 24 (g) of the Environmental Conservation Act, 1997. The Audit Committee has brought this to the attention of the Council.

In addition, the Auditor General of South Africa identified irregular expenditure that was incurred by the Municipality. This related to the appointment of a supplier who held an invalid BEE certificate to the Municipality and as a result the supplier was evaluated based on that invalid document. Moving forward steps are to be taken to ensure compliance occurs on every level.

Performance Management

It was noted that the Municipality was experiencing challenges on reporting on performance management. While this was raised by AGSA these were subsequently addressed by management.

Governance

It was established that governance issues had been effectively managed. No issues were accordingly raised other than the appointment of the Chief Audit Executive – appointed in the 2019/2020 financial year.

Compliance with the MFMA and Other Applicable Legislation

Neither the Internal Audit nor the AGSA reported any material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA. The internal audit did raise a non-compliance issue relating to the website that will be addressed.

Comparison to prior year

As indicated, there were no material misstatements reported by the AGSA in their audit report in both the 2017/2018 and 2018/2019, resulting in a Clean Audit Report being received for both of these periods.

The Audit Committee was constituted as follows:

MEMBER	POSITION
Mr Dumisani Mrwetyana	Chairperson
Mr Roger Hill	Ordinary Member
Mr Logan Govender	Ordinary Member
Ms Thandiwe Sobhuza	Ordinary Member

Note: A Senior Audit Executive and an Internal Auditor facilitate the audit function in- house.

Internal Audit Unit Functioning

The internal audit unit has experienced a number of challenges during the last six (6) months in particular as the Chief Audit Executive has for the most part been absent from work due to ill-health. As a result, feedback and reporting hasn't always occurred in the manner required and the effect of a lack of leadership in this area certainly has had impact.

More specifically the following challenges have been noted in terms of the inability/difficulty in meeting the following targets:

- Improvements have been experienced overall within the Internal Audit Units functioning – despite challenges that have been experienced for quite some time regarding internal capacity and the filling of posts. Accordingly, it must be noted that within this financial

year all four (4) Quarterly Reports on the Audit Dashboard were submitted timeously as required;

- 4 Quarterly Reports on matters of Compliance were submitted to the Internal Auditor for Audit Committee Consideration;
- Matters of risk were submitted quarterly to the Internal Auditor for Audit Committee Consideration
- The IT Security Audit was finally completed during this financial year as a “carry over” from the 2017/2018 targets;
- The Internal Audit External Quality Review was conducted. The report was circulated to Management and tabled to the Audit Committee and Executive Management on 20 June 2019. This is a critically important tool and is used to obtain the necessary audit and compliance insight that can be used in order to contribute to required improvements overall; and
- As required the four (4) quarterly feedback reports on the implementation of the Audit Action Plan were completed. This is part of a strategic and compliance initiative that will ultimately facilitate that the ability of the organization to meet all compliance initiatives identified as being “at risk”. Failure to monitor this has far reaching implications overall.

Oversight, feedback and assistance are all critical functions of the audit unit, who through the Municipal Manager are required to do what is required to work with the organization/Directorates (not against them) and in this manner to adequately prepare them to meet all matters of compliance. Daily and certainly prior to external audits being conducted, it is the role of the internal audit to facilitate the successful functioning and reporting on all levels – ensuring that all aspects of compliance are met.

d. MPAC (Municipal Public Accounts Committee)

The committee is constituted as follow:

MEMBER	POSITION
Cllr. M. Mfisa	Chairperson
Cllr. A Kwinana	Member
Cllr. M.H. Rorwana	Member
Cllr. B. Moeletsi	Member
Cllr. M. Jeje	Member

Functions of MPAC

- Provision of an oversight role in respect of the administration and executive committee of the council;

- Reviewing the municipal / municipal entity's quarterly, mid-year and annual reports and providing an oversight report on the Annual Report for consideration by Council;
- Assisting Council to maintain oversight over the implementation of the Supply Chain Management Policy;
- Examining the financial statements and audit reports of the municipality and municipal entities (considering improvements from previous statements and reports);
- Evaluating the extent to which the Audit Committee's and the Auditor General's recommendations have been implemented;
- Promoting good governance, transparency and accountability on the use of municipal resources;
- Examining the Mid-Year Review documents in line with the Integrated Development Plan (IDP); and
- Recommending or undertaking any investigation that falls within the scope of this committee's responsibilities/ area of competence.

To fulfil its functions MPAC may/is required to:

- Seek / have access to any information required from any councillor/employee;
- Report to council on the activities of the committee;
- Perform any other function assigned to the committee through a resolution of Council;
- Call upon the accounting officer of the municipality or the chairperson of the municipal entity to provide information or clarity;
- Request the support of the internal and external auditors when necessary;
- Engage directly with the public and consider public comments when received;
- Have permanent referral with regard to the following reports:
 - Mid-year /In-year s72 reports
 - Annual Financial Statements
 - Reports of Auditor General and audit committee
 - Any other financial audit report from the municipality
 - Information on compliance in terms of sections 128 and or sections 133 of the MFMA
 - Information in respect of any disciplinary action taken in terms of MFMA on matters serving or having been served before the committee; and
 - Performance information of the municipality.

Note:

- As with the previous year, the annual work plan was drafted and implemented;
- Oversight was provided as prescribed and in terms of any other issues deemed necessary;
- The oversight report for 2018/2019 as part of the Annual Report will be drafted and tabled to Council by 31 March 2020. This report will incorporate comments and recommendations on management's action plans developed in order to address findings raised by the Auditor General in its audit report; and
- 4 Quarterly MPAC meetings were held as formally planned.

e. Ward Committees Establishment and Functionality

Ward Committees were established in terms of section 73 of the Municipal Structures Act 117 of 1998.

Purpose

As per s74 of the Municipal Structures Act 117 of 1998, the purpose of these committees is to assist Municipal Councils to ensure that ward issues are properly communicated to Council and are catered for should there be a need for a budget to address such issues. These meetings are required to provide opportunities to report to the Speaker on issues of interest to the municipality which are taking place in their wards. This has assisted the municipality in ensuring that public participation is enhanced, and accountability of the municipality is not compromised. In the past and in the brewing protests in Sterkspruit for example, information was communicated via this channel, especially on issues such as Municipal Public meetings and other information sharing sessions.

During 2018/2019 Ward Committee meetings were held in all 17 wards on different dates and for each quarter. It is to be noted that these meetings sit haphazardly as is often difficult to get councillors at the agreed times. These meetings were attended by community members. Issues raised by ward committees are reported quarterly to the Executive Committee. From the results thereof, it appears that these meetings and this method of communication appears successful with issues being resolved. This system ensures that council is kept current on all issues raised within Ward Committee meetings. Accordingly reports on the functionality of Ward Committees were submitted to Standing Committee, Exco and Council.

Administrative Considerations

- Ward Committees were established as required and in terms of Gazette No. 1405, Notice no. 209 of 9/12/2005;
- The Municipality published its By-Laws relating to Ward Committees in terms of s13 of the Local Government Municipal Systems Act, 2000 (Act 32 of 2000) read with s162 of the Constitution of the Republic of South Africa Act 1996 (Act 108 of 1996).
- In terms of these prescriptions the following issues are required to apply:

- Representation on Ward Committees shall not be according to political party affiliation and will include religious, youth, civic, education, sport, culture, business, welfare, and women’s associations;
 - Committees are required to meet at least once per quarter and report formally to the Municipal Manager at least quarterly through their Ward Councillor;
 - The term of office of a member is a period of two years;
 - The Mayor is responsible overall for the functioning of the Ward Committees and will meet at least quarterly with all Ward Committees to discuss issues of mutual concern and issues to be addressed;
 - The Mayor shall submit a 6-month report to Council on the activities and considerations of the Ward Committees;
 - Each Committee will be chaired by its respective Ward Councillor. During Ward Committee meetings, the community members are briefed about developments in their ward and within the municipality itself. In this manner, a consultative community structure is created and maintained; and
 - In order to facilitate the smooth running of these communities a code of conduct has been developed which will in turn be work shopped.
- In keeping with all required legislation, it must be noted that:
 - All records of meetings scheduled and attended are maintained (minuted);
 - Minutes of all meetings are made available;
 - Written proof of resolutions tabled to Council are made available;
 - Minutes are available for all feedback meetings with communities; and
 - Ward Committee activity reports are made available to all.

f. Community Development Workers (CDW’s)

Community Development Workers are required to interact with the community and identify households in need and to ensure that community relationships are nurtured so that community participation, support and correct utilization of services occur as a result of effective marketing.

Functioning of CDW's

- All CDW's are required to undergo the appropriate training (ensuring that they clearly understand their role and purpose);
- CDW's report monthly to their co-ordinator in Sterkspruit in order to provide operational monthly reports i.e. reports on activities performed. Issues and observations noted, are forwarded monthly to the municipality via the Speakers Office;
- All Ward Committee meetings are attended by the CDW's who also then provide assistance to the Ward Councillors in respect of the dissemination of information.

Note: Difficulties in communication in respect of the CDW programme are traditionally experienced. It would seem that this occurs in part due to misunderstandings by the Ward Councillors as to the role of the CDW's and this in turn leads to miscommunications and "turf wars". Additional training is to be provided in this regard.

CDW's report to the relevant government department by utilizing designated reporting mechanisms in an effort to obtain required support and assistance for particular households. Round Table Meetings are held quarterly and chaired by the Speaker. COGTA representation is to be found at these meetings. CDW's report on their activities performed, while detailing challenges experienced within the communities in which they work – with a view to resolving these at higher levels.

While this programme has achieved great success through its marketing campaigns, it is hampered by the lack of transport and telecommunications that would enable CDW's to ensure that the requested services reached the required families.

Institutional Meetings Held by Committees 2018/2019

INSTITUTIONAL MEETINGS	DATES ATTENDED - 2018/2019
MPAC	13 September 2018
	7 December 2018
	21 February 2019
	17 May 2019
EXCO	25 July 2018
	28 August 2018
	25 September 2018
	24 October 2018
	28 November 2018
	25 January 2019
	20 February 2019
	15 March 2019
	18 April 2019
	27 May 2019
	26 June 2019
	21 August 2018 (Special EXCO)
Audit Committee Meetings	27 August 2018
	22 October 2018
	2 April 2019
	20 June 2019
Council Meetings	Ordinary Council Meetings:
	27 July 2018
	26 October 2018
	27 January 2019
	26 April 2019
	Special Council Meetings:
	23 August 2018
	18 January 2019
	27 February 2019
	27 March 2019
	29 May 2019
	19 June 2019

mSCOA Meetings (Finance): 4 quarterly reports on the progress of implementation of **mSCOA** were tabled to Council during this financial year.

g. **Committees and Committees' Purpose**

COMMITTEES (OTHER THAN MAYORAL /EXECUTIVE COMMITTEE) AND PURPOSE OF COMMITTEES	
Municipal Committees	Purpose of Committee
Audit committee	Administrative Oversight
Municipal Public Accounts Committee (MPAC)	Oversight
Local Labour Forum	Labour Issues
Training Committee	Training and Employment Equity Issues
Bid Committees	Bid/Specification/Tender Adjudication
Performance Management Evaluation	Assessment of Performance
Mandate Committee	To carry out and discuss all the mandatory issues of the Council
Remuneration Committee	To carry out and discuss all the remuneration issues of the Council
Strategic and Governance Committee	To carry out and discuss all the strategic issues of the Council
Ethics Committee	To carry out and discuss all the ethical issues of the Council
Corporate and Support Services Committee	To discuss, recommend and dealing with council related business.
Community Services Committee	To discuss, recommend and dealing with council related business.
Technical Services Committee	To discuss, recommend and dealing with council related business.
Budget and Treasury Committee	To discuss, recommend and dealing with council related business.
Development and Town Planning Services Committee	To discuss, recommend and dealing with council related business.
Occupation Health and Safety Committee	To carry out and discuss all the Occupational Health and Safety issues of the Council
Employment Equity Committee	To carry out and discuss all the Employment Equity issues of the Council

The following Traditional leaders are recognized and consulted as and when appropriate

B Pitso	Traditional Leader
J Mguye	Traditional Leader
T Kakudi	Traditional Leader
N J Tikiso	Traditional Leader
T A Gcongca	Traditional Leader
N H Binza	Traditional Leader
Z Mphambo	Traditional Leader

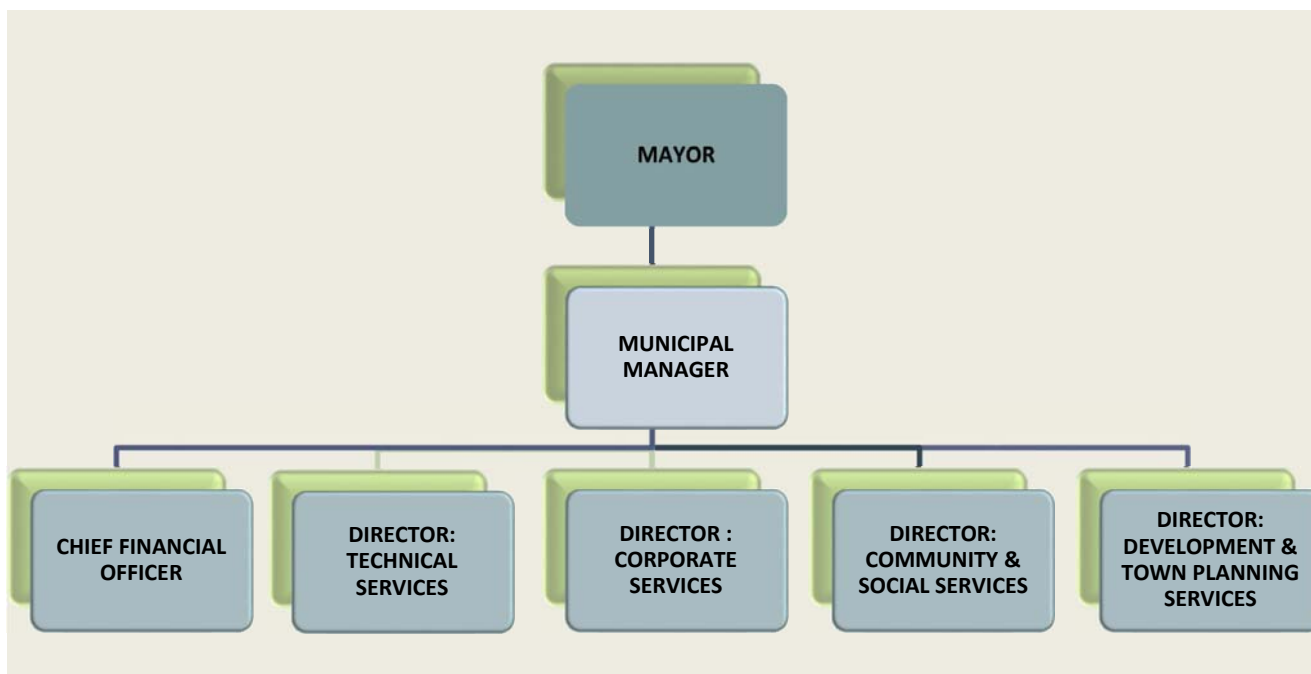
h. Political Decision Making

Political decisions are made through Standing Committee resolutions (after examining reports submitted) and at times these are forwarded to Council for a decision from Council i.e. Council Resolution. Actions taken must be taken strictly in accordance with a resolution number in order to be valid. A Resolution Register provides detail regarding action to be taken and follow ups are conducted in order to ensure that resolutions are acted upon.

2.1.3 Administrative Governance

a. Introduction to Administrative Governance

The functional structure representing administrative governance is reflected as follows:



As depicted by the diagram above, the administrative structure consists of the Municipal Manager (Administrative Head) and the five (5) s56 Directors who report to the Municipal Manager.

More specifically:

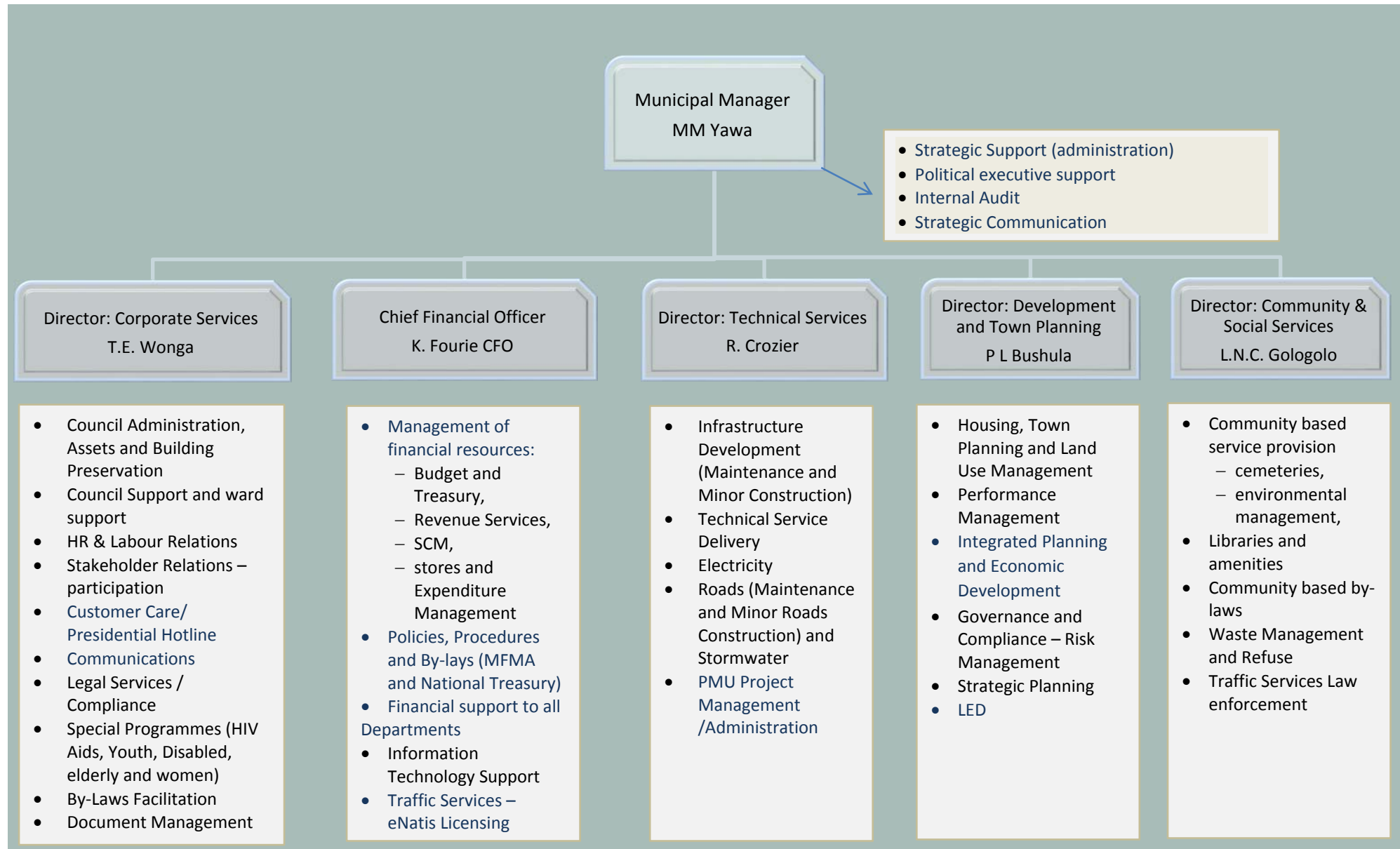
- The s56 Directors are appointed on a 5-year fixed term contract;
- Performance Agreements are signed annually between the s56 Directors' and the Municipal Manager (to whom they report). This details their specific contract conditions and together with an annually reviewed performance scorecard, their performance goals and objectives are agreed to annually (targets). It is against these that their performance will be measured; and
- S56 Directors' report regularly to the Municipal Manager regarding performance and issues requiring appropriate action.

b. Reporting Relationships and Administrative Functioning

- Directors report directly to the Municipal Manager regarding functional issues that relate to their specific directorates;
- Reporting occurs as per reporting lines and recognized communication structures (encouraging free flow of communication);
- Directors compile/present reports to Council regarding own directorate monthly (to the Standing Committees), who then recommends that these are approved/taken to Exco/Council as deemed appropriate (for final approval /resolution);
- Council resolutions are required to be effected within a specific period and follow ups are required to be undertaken in order to ensure that this occurs as required and timeously;
- Directors are required to meet the terms and conditions of the approved Performance Management Policy; and
- Directors are required to ensure that all reporting occurs in terms of compliance and in respect of all internal controls and systems.

The table that follows details each directorate, the name of its director and the functional requirements for each directorate:

The functional nature of each Directorate is reflected below:



COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.2 INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

It is recognized that organizations benefit from both individual and shared experiences. In this manner, opportunities are created for organizations to share and learn from each other and to develop more effective skills in handling day to day operations and specific challenges.

Efforts to improve and facilitate these relationships has led to the development of IGR (intergovernmental relations) structures which have been put in place and are driven at the level of the district. The IGR Forum has been established in order to formally promote and to improve this process.

In order to govern and facilitate this process further, an Intergovernmental Relations Framework Policy was adopted by the district (Joe Gqabi District Municipality) and related structures were created that were linked to the following clusters:

- a. Social Needs;
- b. Economic and Infrastructure;
- c. Safety and Justice; and
- d. Governance and Administration.

These clusters meet within the district by-monthly, in order to discuss service delivery, policy issues, integration, co-ordination, monitoring and evaluation.

2.2.1 Existing and Functional Structures

Aside from the clusters, the following structures exist:

- **The District Technical Task Group;**
- **The District Mayor's Forum (DIMAFU);**
 - Meets quarterly to align key programmes and issues that relate to municipalities
 - This is a s79 committee (special committee that consists of Mayors of all Local Municipalities within Joe Gqabi District Municipality);
- **MUNIMEC Meetings;**
 -
 - Attended by Mayor and Municipal Manager;
 - Driven and coordinated by MEC for Co-operative Governance (to evaluate the performance of government programmes);

- **Presidential Hotline**

- The Presidential Hotline continues unabated. This hotline is to be commended for all its efforts and achievements;
- Targets in respect of having “resolved issues” were all met in this regard and 12 reports on the number of resolved issues from the Presidential Hotline were submitted;
- The municipality has achieved 100% for issue resolution in all months within quarters 1, 3 and 4. A variance was noted during quarter 2, where the municipality achieved 96,23%. This occurred as a result of 4 cases that Senqu Local Municipality was dealing with on behalf of Joe Gqabi District Municipality. It must be noted that these cases were resolved during the year under review;
- It is acknowledged that for this hotline to become a more effective platform - efforts must be made to create more awareness and facilitate better understanding within the communities of the hotline purpose and functioning itself; and
- During the year under review the complaints received through the said hotline were of an insignificant number.

- **IDP Representative Forum**

- These are held in order to consult with Sector Departments and in order to link IDP processes; and
- Notwithstanding the target was achieved (4 IDP Representative and Public participation Forum meetings were held), it must be noted that the meeting planned for quarter 4 did not take place. Two (2) meetings did take place in Quarter 1 as opposed to the one (1) meeting originally planned; and
- The IPPF meetings were held as follows: 21 August 2018, 11 September 2018, 4 December 2018 and 28 March 2019.

- **Integrated Public Participation Forum (IPPF)**

- This is informed in part by the IDP Process Plan;
- A variance of one meeting occurred in quarter 4. The planned meeting could not take place as planned as the Speaker was attending classes at Fort Hare and the Speaker had insisted that he be part of these meetings;
- 3 IPPF Meetings were held: 21 August 2018, 4 December 2018 and 28 March 2019. Efforts are continuously being made in order to improve and create conditions to facilitate public participation.

2.2.2 Intergovernmental Relations

a. National Intergovernmental Structures

All the programmes that are developed by Senqu Municipality are derived from the legislative policies that are approved by National and Provincial Government. The Local Development strategies in Senqu Municipality's Integrated Development Plan are aligned to the National Development strategies and policies.

b. Provincial Intergovernmental Structures

Munimec meetings are attended as and when run. Munimec technical team and political team meetings are scheduled and attended accordingly. These meetings are held in order to discuss and to resolve issues of mutual interest with neighbouring municipalities. Reference is made to Appendix D (detailing a complete list of entities and delegated functions).

c. District Intergovernmental Structures

Efforts to improve intergovernmental relations are driven at the level of the district. The IGR Forum has been used in the past to promote this process and Joe Gqabi District Municipality has adopted an Intergovernmental Relations Framework Policy. Intergovernmental structures were created (linked to the clusters of Social Needs; Economic and Infrastructure; Safety and Justice and Governance and Administration) and these are functional. Notwithstanding it must be noted that the District IGR Forum has not been active for the last financial year.

Additional structures have and do include:

- The District Technical Task Group;
- The District Mayor's Forum (DIMAFU) – meeting quarterly in order to align key programmes and issues between all municipalities within Joe Gqabi District Municipality. This s79 committee comprises the Mayors of all local municipalities within the district.
- As is clearly observed, in this manner, many opportunities are provided for the benefit of both district and local municipalities.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.3 OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Every year formal opportunities are created in order to provide the public with opportunities to input into organizational objectives and the manner in which services need to be and are addressed. In addition, they are given opportunities to “interact” with information regarding service delivery, operational and financial performance (IDP and Budget meetings, SDBIP reporting, Performance and

Annual Reports and the like). In this manner, a “people centered” organization is created – one in which the needs of the community are noted, and plans are made to address these through processes of interaction and inclusion.

The IDP Process and Budget Plan are just a few of the structures that have been created in order to ensure that public participation occurs effectively – ensuring that the needs of the public are met.

2.3.1 Public Meetings

Communication, Participation and Forums

Historically, it is noted that the Communication Plan and Strategy was adopted and implemented successfully (reported on monthly) and implementation reports were submitted quarterly to Council.

During this financial year the targets applicable to the Communication Plan in particular were not met. It must be noted that the Plan was not sufficiently funded for implementation during the first second quarter and as a result it had to be adjusted during the adjustment budget. Quarterly Reports on the Implementation of the Communication Plan were not submitted as required. Moving forward it is noted that Implementation Plans must be aligned to available funds in order to ensure effective implementation thereof.

Ward Committee members, Councillors, members of the LED Forum, SPU and government departments were invited to form part of the Public Participation Forum. Emphasis was placed on the Mayoral Imbizos’ in order to utilize the information obtained to identify and inform key projects for the coming year. During quarter 2 the Mayoral Municipal Outreach was held from the 5 November 2018 until the 9 November 2018. The Wards were clustered together for the Outreach as per the Outreach Programme.

During quarter 4, Municipal Outreaches were held from 20 May 2019 until 24 May 2019. Meetings were held in Clusters as per Attendance registers.

Input from the community, budgetary constraints and operational issues and challenges were used to inform and choose projects that appeared in the municipal 5-year IDP (2017 - 2022). Community information sessions and feedback were used to prioritize these projects for each subsequent year. The results of this were then prioritized within the IDP and Public Representative Forum meetings, and the prioritized projects (municipal and government) were then tabled to Ward Committee members.

Communication continues through Ward Committee meetings, radio talk shows and printed media. Additionally, the Presidential Hotline and the manual receipt of complaints are also being utilized in order to address all complaints received from communities and other stakeholders. Regular (monthly) reporting of issues raised/discussed are then submitted to the standing committees. In an effort to heighten the success of customer care initiatives, the municipality has launched a Customer Care Number which is continually advertised to communities. The development of social media sites for Senqu Municipality continues to fail to be successful. Mayoral outreaches provide a forum for community complaints and it is here that many community complaints are received. The Customer

Care Officer and Clerks register the complaints in the Complaints Register, facilitating that this is then formally handled.

During the current financial year, the Communication Plan was reviewed. Unfortunately, the Plan was not sufficiently funded for implementation in the first and second quarters and as a result it had to be adjusted during the adjustment budget. Quarterly implementation reports were not submitted as required.

Efforts to improve public participation and communication have involved the extensive use of other communication media. These include:

- a. Newspapers (reporting on highlights) such as: Daily Dispatch, Aliwal Weekly, Daily Sun, The Reporter and the Eagle Eye News;
- b. A target of four (4) Internal Newsletters and four (4) External Newsletters were required to be developed. A variance of 1 Internal Newsletters and 1 External Newsletter occurred. The newsletters could not be published and issued in quarter 3 as planned, as result of the strike action in Lady Grey from 5 to 14 March 2019. It proved difficult to get any information from departments following the strike as Departments were at this time behind on most of their targets.
- c. Broadcast media such as: Takalani Community Radio, Ekhephini Community Radio and LA FM Community Radio. These are used for media activities such as: advertising of Mayoral Outreaches and in order to communicate with the community generally. Mhlobo Wenene is used only when the need to advertise broadly is required, as this represents an extremely costly option; and
- d. Budget consultations occur in order to collect community needs and to report on needs. These meetings usually include traditional leaders, CDW's, community members, ward committees and other interest groups applicable to these wards.

2.3.2 Other Role-players Used to Improve Public Participation

In addition, the following role-players are used to heighten and improve public participation overall:

- a. **Community Development Workers (CDW's)**
The CDW's report to province, but also report to the municipality via the Round Table Meeting which is held quarterly. Communication and cooperation is facilitated by these round table meetings where issues relating to the wards may be discussed. These discussions are chaired by the Speaker and meetings are constituted as follows: Ward Councilors', Traditional Leaders, Local Government, Traditional Affairs Representatives and CDW's.
- b. **Economic Development Forum**
This forum meets quarterly and comprises all stakeholders involved in LED. Issues and challenges relating to LED implementation are discussed and the forum monitors the implementation of the LED Strategy. 4 meetings were held as required on: 20 September 2018, 3 December 2018, 20 March 2019 and 21 June 2019.

c. Communications Forum

This forum meets quarterly in order to discuss issues relating to communications within the region. It consists of local municipal communicators, GCIS and local media representatives;

d. Ward Committees

As s73 structures (as per s73 of the Municipal Structures Act, Act 117 of 1998) these have been created in order to facilitate ward communication with Council.

Committees have met monthly and report to the Speaker regarding issues of interest. Historically, meetings have not always been held as regularly as required and in an effort to improve attendance, the payment of stipends was recommended by National Treasury. Financial constraints have impacted negatively on this.

These committees are extremely effective in facilitating two-way dissemination of information, notwithstanding any challenges experienced with Sterkspruit.

Senqu Ward Committees are effective in the sense that issues raised by ward committees are reported on quarterly to the Executive Committee. This ensures that council in general is on board of function of the ward committees at all times.

Reference: Appendix E (Ward Committee Governance) and Appendix F (Performance Data for Wards)

e. Comment on Effectiveness of Public Meetings Held

The Public Participation Plan was approved and adopted, and Public Participation Meetings were held, although it is noted that this is an area that requires attention and meetings were postponed at times. It is noted that not all of the Pre-determined targets were reflected within the SDBIP. This issue was rectified later on in the year and addressed formally within the s46 report. Improvements are evident within the following financial year.

It is recognized that despite progress and the effectiveness of meetings held, ongoing efforts must continue in order to increase opportunities for Public Participation.

2.3.3 IDP Participation and Alignment

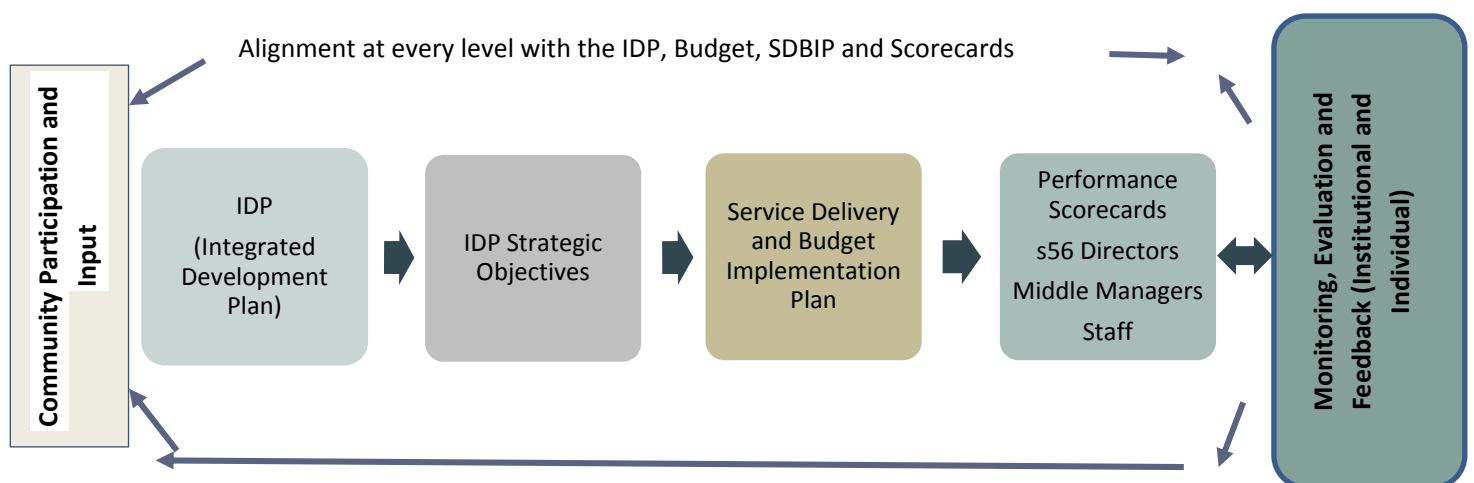
s34 of the Municipal Systems Act, (Act No 32 of 2000), together with Chapter 2 of the Local Government Municipal Planning and Performance Management Regulations (No. 796/2001) requires the development and completion of the Integrated Development Plan (IDP). This 5-year document was first compiled in 2002, then in May 2006, in 2011 (for the 2011-2016 period) and more recently in 2016 (for the 2016-2021 period). The reviewed IDP for 2018/19 was adopted by Council 30 May 2018.

The IDP is required to correspond with each new Council's elected term of office. It is the organizations strategic document that directs and influences the functioning of the organization overall – informing and influencing the strategic direction and operation of all projects and planning that occurs internally.

The Integrated Development Plan (IDP) is explained by the diagram that follows, detailing its impact and role within the organization. More specifically the following points of explanation are noted:

- a. The IDP is developed for a period of 5 years and is reviewed annually. The strategic targets and goals take into account the available resources and are developed as realistic goals that are reworked annually from the 5-year strategic goals. Available resources are taken into account and impact on the development and approval of annual achievable and realistic targets – aligned to the overall strategic objectives contained within the IDP;
- b. A Process Plan is developed annually which informs the manner in which the IDP will be reviewed and managed (and public participation will be maximized);
- c. Planned meetings are detailed and scheduled as required;
- d. Performance is evaluated according to the use of the Budget Evaluation Checklist;
- e. The Budget Executive Committee meets regularly in order to evaluate the previous year's budget process – learning from current and past situations;
- f. It is critical that there is alignment between the IDP, Budget and the SDBIP. In this manner, the achievement of performance objectives as reflected in performance scorecards will facilitate the achievement of the IDP strategic objectives;
- g. In accordance with this philosophy, alignment must be carried through to the population of the s56 Directors' scorecards and to the levels below; and
- h. The assessment of the degree to which performance targets are achieved is facilitated through regular assessment and reporting structures. Reporting structures are in place in order to ensure that implementation, monitoring and feedback occurs ongoing – thereby ensuring that every effort is being made to meet the IDP objectives.

Figure: Development of the IDP through Public Participation and alignment with SDBIP and Budget



In keeping with the practice of planned IDP related consultations, the following meetings and achievements occurred:

- The development of the 2019/2020 IDP Review and Budget Process Plan was adopted by Council 1 month prior to planned date of 31 August 2018;
- The 2018/2019 review of the IDP was tabled and approved prior to the legislated dates of 31 March 2019 and 31 May 2019;
- The target of holding four (4) IDP Representative and Public Participation Forum meetings was technically achieved although the meeting planned for quarter 4 did not take place. Notwithstanding, 2 meetings took place in quarter 1 as opposed to the single meeting planned;
- The required number of IDP and Budget Steering Committee meetings were not held as required. Only 50 % of the target was achieved. During quarter 1 the Mayor's schedule did not allow for a meeting. During quarter 2 there were extenuating circumstances in the form of the protest action that disrupted both political and administrative schedules;
- The Draft SDBIP was submitted to Provincial Treasury on 4 April 2019 and to National Treasury on 3 April 2019. The Final SDBIP for 2019/2020 was approved by the Mayor on 27 June 2019 and was submitted to National Treasury on 15 July 2019 and to Provincial Treasury on 17 July 2019;
- Only 2 of the required 4 IDP and Budget Steering Committee meetings were held. These meetings were changed by the Mayor due to other urgent council commitments. These were held in the third and fourth quarter;
- During the fourth quarter a roadshow (supported by various Directorates) was completed as part of the public participation initiative;
- Four (4) Round Table Meetings were held, the Mayoral outreach Imbizos for all wards were held on the 6th of November 2017 and on the 8th until the 16th May 2018; and
- The Mayoral Budget speech was well organized, notwithstanding the many day to day challenges. All needs and inputs (formally identified by the community) were recorded, prioritized and included in Council's Integrated Development Plan (which was adopted by Council). The table below provides a brief analysis of the participation and alignment that resulted in the development of the IDP and related documents.

IDP PARTICIPATION AND ALIGNMENT CRITERIA* 2018/2019	YES/ NO	COMMENT
Does the municipality have impact, outcome, input, output indicators?	Yes	
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes	
Does the IDP have multi-year targets?	Yes	5-year Target with implementation of mSCOA
Are the above aligned and can they calculate into a score?	Yes	
Does the budget align directly to the KPIs in the strategic plan?	Yes	
Do the IDP KPIs align to the Section 56 Directors	Yes	Scorecards are developed from SDBIP.
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes	
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes	Municipal Performance Management Regulations s10g
Were the indicators communicated to the public?	Yes	Through Process Plan and IDP Rep & Public Participation Forums
Were the four quarter aligned reports submitted within stipulated time frames?	Yes	

COMPONENT D: CORPORATE GOVERNANCE

2.4 OVERVIEW OF CORPORATE GOVERNANCE

Corporate Governance is required to ensure that all legislative prescriptions are adhered to and in so doing to ensure that the rights of all stakeholders are protected.

Governance and compliance issues are required to be managed in the strictest sense. The administrative arm and related/designated human resources are required to ensure that all prescriptions (legal / policy prescriptions) are adhered to as prescribed, in order to ensure that the organization functions effectively and minimizes/eradicates all identified aspects of risk.

This section will detail issues relating to: Risk Management, Fraud and Anti-Corruption, Supply Chain Management, By-laws, Website access and Public Satisfaction levels --- all in terms of compliance required and the level achieved.

2.4.1 Risk Management

Section 62(i)(c) of the Municipal Finance Management Act prescribes that formal risk management is a matter of compliance. In terms of this, it is required that all municipalities develop and adopt an effective, efficient and transparent system of risk management.

It is acknowledged that the failure to identify and manage identified risks will impact negatively on the organisation (financially and operationally). Costs and the negative impact of failing to manage risk cannot be justified, particularly if the risk had been noted and no appropriate action was taken. The lack of appropriate action would reflect as poor business practice and poor management overall.

The “fall out” in respect of this would include extreme costs to the organisation, audit queries and possible audit qualifications.

Note:

- Despite consideration being given to the top 5 Risks organizationally as reflected in the table that follows, it is prudent to highlight a number of additional risks that are no less problematic and just as concerning. These relate predominantly to the issue of Performance Management and specifically to the manner in which it is applied individually and institutionally in terms of functioning and reporting;
- It appears that many of those in top management positions do not realize that the entire function of performance management belongs to managers and supervisors at whatever level in the organization. Management and supervision represent a core function of the job and needs to be taken seriously and conducted daily;
- Reporting on performance is required to be completed correctly, accurately and timeously. As a case in point, inputs into the s46, s72, pertinent areas of the Annual Report (not to mention SDBIP and other reporting) are not taken seriously by top management. It is the responsibility of all directorates and departments to input timeously and appropriately and it is concerning that this is seldom occurs with the time and motivation given to it in terms of worthwhile content. It must be noted that the absence of management and the failure to produce accurate information and the correct documentation will have very serious consequences for the organization overall. The fact that Senqu Municipality has achieved a clean audit report is no guarantee that it remains this way and the failure to present accurate and correct information will impact very seriously on this. It must be noted that the status of “Clean Audit” can be withdrawn by the Auditor General should this be found wanting. This is a huge risk to the organization on many levels – it relates to the ability to achieve performance optimization and ensuring that the organization functions optimally on every level and achieves all aspects of compliance;
- It is concerning that staff only “appear” to have an interest when it may or may not affect potential bonuses. As managers’ the function of “management” is mandatory and paramount;
- It must be noted that performance is evaluated differently when we speak of employee performance assessment vs institutional performance assessment. In the case of employee assessments, performance may be legitimately affected and this is considered carefully and may/may not result in performance being “met with a variance” - with due consideration of all the evidence. In the case of institutional performance assessment, no such consideration is made ---it is essentially either “met”, “not met”;
- The role of the internal audit is one of oversight and assisting management to be successful. In addition, it is required that support be provided in respect of approved, compliant and legitimate policies. As an example, while the right to question and ensure correctness is recognized, it should never impede on the ability of the organization to perform as required in terms of a policy that is approved. Reference is made to the ongoing issue regarding “self-scores” which is brought up annually and justified and substantiated as acceptable practice annually. Many workshops and information sessions have been held in order to clarify this issue and following agreement of sorts it gets raised again and again – to the point where one has to begin to question the logic and purpose of this all. This practice of the internal audit and related structures in itself represents a risk – which can easily lead to unnecessary destabilization of recognized and compliant practices

(such as this policy and function) and may contribute unnecessarily to the cause of wasteful and fruitless expenditure - due to ongoing and unnecessary workshops, legal opinion (already received) and the like; and

The Governance and Compliance Division must be commended for their tireless efforts in attempting to source required information. Cooperation in this regard has not been forthcoming.

Top 5 Risks (2018/2019)

TOP FIVE RISKS OF SENQU LOCAL MUNICIPALITY FOR 2018/2019		
Risk	Current Controls	Action Plan
1. Land invasion	<ul style="list-style-type: none"> • Municipality issuing notices to individuals who transgress. • Municipality gets court order. • SPLUMA By-Law. • Building control policy. • Building control officer x 1 and Land-Use Officer x 1 • PIE Act. Workshop were conducted on SPLUMA, town planning applications and processes. 	<ul style="list-style-type: none"> • Develop land invasion strategy to address illegal use of municipal vacant properties.
2. Non-compliance in terms of NERSA and the Electrical Regulation Act	<ul style="list-style-type: none"> • Municipal and Eskom areas of distribution in the license issued by NERSA are identical. This is causing confusion regarding rights to distribute electricity. • License conditions are not adhered to. • No S 78 processes have been conducted and no Service Delivery Agreements are in place. • No dedicated control rooms. • Tariffs are not guided by the RSA Distribution Code of 2014. 	<ul style="list-style-type: none"> • NERSA to take a final decision after due process. • NRS 048: Purchase and installation of quality of supply equipment for monitoring and the possibility of capacitor banks dependent on quality of supply. Auto recloser insertion at strategic points. Telemetry switching and monitoring. Data recording, management and analysis in order to maintain quality of supply and safety to consumers. NRS 047: A 24 hr control centre is established, and overtime is paid to staff above the threshold as per the LRA, to reduce outage times. Establishment of an electrical master plan. (28 February 2019) • Establish an electrical control room once all equipment for monitoring quality of supply is installed and functioning. • Appointment of a PSP to review and recommend phased in tariffs as approved by NERSA.

TOP FIVE RISKS OF SENQU LOCAL MUNICIPALITY FOR 2018/2019		
Risk	Current Controls	Action Plan
3. Ineffective implementation of the IWMP	<p>Non- compliance in terms of NEMWA due to:</p> <ul style="list-style-type: none"> Operations is not complying in terms: <ul style="list-style-type: none"> (a) No compaction is taking place in Sterkspruit which results into health hazards (b) Sterkspruit dumping site not fenced. Lack of waste minimisation of initiatives which includes: <ul style="list-style-type: none"> (a) Non-alignment between the municipality's five-year targets and IWMP (b) Lack of operational plan for landfill sites Lack of Waste Management Policy. 	<ul style="list-style-type: none"> Purchase compactor Employee security to monitor access control Fence the dumping site To get recycle facilities (MRF / Buy back centres) Develop waste management policy
4. Increases debt growth	<ul style="list-style-type: none"> No Revenue Enhancement Strategy. Poor planning of cash collecting targets. Outdated FSB register. Insufficient meter readers to read meters. Insufficient vehicles. Lack of meter reading tool. 	<ul style="list-style-type: none"> Develop and implement a revenue enhancement strategy. Enforce the credit control and debt collection by-law to give effect to the revenue enhancement strategy. Current beneficiaries must be verified Treasury and Cogta. Appoint two additional meter readers. Purchase new vehicles. Purchase new computers.

TOP FIVE RISKS OF SENQU LOCAL MUNICIPALITY FOR 2018/2019		
Risk	Current Controls	Action Plan
5. Non-compliance with the mSCOA implementation	<ul style="list-style-type: none"> • Continuous changes by NT on the versions of mSCOA. • Concentration of then service provider largely on finance modules of the mSCOA. • Insufficient capacity to implement the centralisation of SCM. • Managers is more operational than overseeing the operations of SCM. 	<ul style="list-style-type: none"> • Centralise SCM. • Appoint Senior Officer.

The risk management function is housed within the Directorate Development and Town Planning in the Governance and Compliance Division. This function is managed by the Manager: Governance and Compliance. Risk remains the responsibility of each Directorate and said parties on all levels are required to manage risk within the ambit of their control.

Oversight on Risk

The Internal Audit Committee is required to provide oversight on matters of risk – especially in respect of the top five risks identified. This oversight is provided while evaluating the perceived and actual risk experienced. In a recognized manner, approved processes of measurement, reporting and control are undertaken in order to manage risk effectively.

In order to facilitate monitoring, oversight and management, the following structures and reporting mechanisms are utilized:

- a. Risks are monitored and reviewed regularly;
- b. Quarterly reports were provided to the Internal Auditor for Audit Committee Consideration;
- c. The municipality has developed a Risk Profile;
- d. Directorates/Departments are advised on mitigating measures that are required to be implemented in respect of identified risks;
- e. The Risk Action Plan for each Directorate is required to be developed, monitored and reviewed annually;
- f. The Risk Registers are monitored and updated monthly;
- g. The reviewal of the IT Disaster recovery plan and IT Strategic plan will be submitted to the Council meeting of July.
- h. Measures to deal with identified risks are monitored and reports submitted to Council;
- i. Risk assessment reporting is done on a quarterly basis and submitted to the Audit Committee and Council.
- j. Risk reporting was conducted and submitted timeously as required;
- k. In an effort to combat fraud, to prevent any inappropriate influences regarding supply chain management processes and awards and as a matter of compliance, all staff members and Councillors were required to sign their disclosures in the Conflict of Interest Register; and
- l. The Conflict of Interest Register was developed, tabled and applied.

2.4.2 Litigation Issues

The municipality is currently involved in the following litigation issues that could result in damages/loss awarded against/ in favour of Council if claimants are / Municipality is successful. The following cases apply:

LITIGATION ISSUES	2019	2018	2017
1. <u>Landfill Sites</u> The municipality does not have a permit or license for all the landfill sites currently in use and could be liable for a penalty in terms of Section 24G of the Environmental Conservation Act.			-
2. <u>Hawks 1</u> On 21 April 2017 judgement was handed down on this matter. Sentencing has been postponed on numerous occasions as a result of delays caused by the State and sentencing will be handed down on 24 August 2018. An application for leave to appeal against the judgment and sentencing will be made on 24 August 2018. Council has resolved to support the appeal.			-
3. <u>Hawks 2</u> The Director of Public Prosecution: Grahamstown has decided to stop the prosecution of the senior managers for charges relating to allegedly defeating the ends of justice, interference, and assault and resisting arrest. The charges were formally withdrawn in the Sterkspruit Regional Court on 08 March 2018. The Municipality has recovered taxed costs in an amount of R191 648.87 from the SAPS as a result of a successful application in the Grahamstown High Court to have the mobile phone of one of the accused returned.		R 191 648.87	R 191 648.87

Litigation Issues cont.

LITIGATION ISSUES	2019	2018	2017
<u>4. Civil claims for unlawful arrest, unlawful detention and malicious prosecution</u> Judgment was handed down in favour of one of the senior managers on 24 October 2017 in an amount of R404 000.00 plus interest and legal costs. The Minister of Police & Captain Lwana has appealed the quantum of the award. The taxed costs recovered from Minister of Police & Captain Lwana will be paid to the Municipality.		R 404 000.00	R 404 000.00
<u>5. Ex-Gratia Payment</u> Upon termination of the Municipal Manager and 3 other Section 57 Manager's contracts, an ex-gratia amount of 1,25 x the employees' gross annual salary will be paid to these employees. Finance should advise as only 2 Directors qualify for this.			8 180 640
<u>6. Land Invasion</u> The municipality is currently engaged in litigation in respect of various land invasion cases in the Senqu Municipal area.			-
<u>7. Moeletsi, Ngogoda & April defamation claims</u> The Councillors have instituted separate legal proceedings against the Municipality, together with the Mayor for defamation in respect of an article that appeared in the Eagle Eye Newspaper in August 2013. The matters are dormant as the Councillors have not taken any steps to have the matters set down for trial. The matter is held in abeyance and dependent on the Councillors' further action.			300 000

Litigation Issues cont.

LITIGATION ISSUES	2019	2018	2017
8. <u>Languza Unfair Dismissal</u> Ms Languza has instituted a claim for loss of income for the period 15 February 2015 to 31 March 2017. The Municipality is in the process of negotiating a settlement amount with her lawyers. The matter was heard in the Labour Court on the 2nd March 2018 and the municipality was ordered to pay the amount under claim minus the UIF claim paid to Ms Languza whilst she was not working. The Municipality has decided to comply with the order and is in the process of paying out. The Municipality has paid over the monies owed to Ms Languza and the matter is now closed.		701 740.24	701 740.24
9. <u>Travel and Subsistence Claim</u> Councillor Tindleni has put in a claim against the municipality for Travel and Subsistence money not yet paid out. The trial was set down for 13 and 14 June 2017 but both the plaintiff and the defendants attorneys agreed that the matter is not ready to proceed to trial in June 2017 and it was removed from the roll with no costs to the Municipality. The Matter is being held in abeyance and dependent on the plaintiff's further action			60 000

Litigation Issues cont.

LITIGATION ISSUES	2019	2018	2017
10. MTN Dispute Invoices from MTN for services rendered are under dispute. The Municipality's contract with MTN was renewed without approval by the municipality. R207 632.04 was disclosed as a contingent liability 2015/16 AFS & remains until the liability prescribes in 2018. The Municipality defended a claim of R 779 411.47 by MTN after the Municipality's contract with MTN was renewed without approval by the Municipality and subsequent to the contract being set aside by the High Court. The Municipality advised the MTN lawyers that it will defend the claim. The matter is dormant, but the liability remains until end of February 2019.			779 411

2018/2019 period:

It must be noted that Legal Services have remained an outsourced function. A data base of suitable service providers has been established in order to ensure that appropriate assistance for legal cases may be obtained in the correct and prescribed manner as per the Supply Chain Management policy and practices.

The database relating to contracts and lease agreements is currently managed by the Corporate Services Directorate. The management and control of disciplinary cases remains a critical function and responsibility. As such it remains imperative that appropriate measures are put in place in order to manage these cases and to provide the required regular statistical reporting.

2.4.3 Anti-Corruption and Fraud

Senqu Municipality has an approved Fraud Prevention Plan. This plan outlines the concept of "fraud" and has resulted in the development of a Code of Conduct for Employees and Councillors. Procedures for reporting fraud and a policy and practice to be utilized to protect "whistle-blowers" was developed and implemented. This plan also outlines the policies and procedures that must be adhered to/implemented in order to prevent any fraudulent practice/activity that may be observed within supply chain management activities and the like. To this end it is further noted that the Internal and External Audit as well as the Audit Committee

are required to provide an oversight role in this regard and all are mandated to expose any evidence of fraud.

Note: Most of the recommendations of this plan have been implemented and all employees have been inducted regarding the Code of Conduct.

Fraud and Anti-corruption Strategy

In an effort to minimise and to prevent fraud it is noted that:

- a. The Fraud Prevention Plan is in place and is being implemented by the Compliance Officer;
- b. All new employees and Councillors are inducted regarding the Code of Conduct – thus ensuring that they are adequately prepared regarding protocols and the manner in which all parties are required to behave;
- c. In terms of the Disciplinary Policy and Procedure Code, any instance of misbehaviour /malpractice will result in appropriate action in terms of the policy;
- d. Very clear procedures for authorisation of approval/payments are in place in order to prevent corruption, fraud and theft. In this regard, very specific signing authority as per the Municipal Finance Management Act (MFMA), is specified;
- e. In any instance where it is suspected that a person has contravened any aspect relating to compliance/having committed fraud, they are immediately suspended pending the nature of the allegation and if justified criminal charges are laid; and
- f. It is noted that both the Mayor and the Municipal Manager have publicly condemned acts of corruption, fraud and malpractice of any kind.

Audit Committee Comments/Recommendations (as per Appendix G and Chapter 6)

Notwithstanding the progress within this area it is important to make reference to the Audit Committee Recommendations for the current year – thereby ensuring that all issues are accommodated. In this regard reference is made to Appendix G and Chapter 6.

2.4.4 Supply Chain Management

Overview of Supply Chain Management

The MFMA s110-119, the SCM Regulations of 2005 and the relevant MFMA circulars set out the required processes and guidance manuals that will facilitate that the application of Supply Chain Management Policy and Procedures – facilitating the correct acquisition and provision of required goods and services.

- a. All SCM reporting submissions as legislated were met. Quarterly reports to the Municipal Manager and Mayor were made within 10 working days of each quarter, and submission

of annual SCM report within 30 days of end of each financial year on implementation of SCM Policy to Council; and

- b. During 2018/2019 SCM compliance reporting was submitted to National Treasury for Bids over R100 000; and
- c. Reference is made to **Appendix H** for detail regarding long-term contracts and Chapter 3 for statistical reporting regarding Supply Chain Management.

Note: Chapter 3 in which the analysis of performance in respect of Supply Chain Management is discussed in greater depth.

2.2.5 By-Laws

Consultants have been appointed in order to facilitate the review and adoption of the Municipal By-Laws. Financial constraints have been experienced. Notwithstanding those identified and planned for were reviewed.

Comments on By-Laws

During 2018/2019 money was set aside specifically to look at the review of the municipal by-laws. This process has to date not been completed although a service provider was appointed and an additional meeting with the service provider was scheduled for the end of July in order to agree on a process plan.

2.2.6 Municipal Website

Comment Municipal Website Content and Access

The website was developed in order to improve communication with communities. Reports on the monitoring of the Website in terms of compliance with the MFMA and MSA were submitted quarterly to the Executive Committee and Audit Committee.

The Communications Officer is required to maintain and update the Website regularly. It must be noted that the content of the website has greatly improved, although there is always room for improvement and growth aesthetically and overall in terms of the “look and feel” and functionality. This function was moved to the IT Department due to capacity issues and the fact that the individual best suited to perform this function was within this department (with required resources).

Note: The MFMA s75, requires that Municipalities monitor and report on the use of their websites by the public - detailing the number of hits per website and related data.

The new website is constantly updated but improvements are required.

Restructuring and Update on Progress

The Website function overall was moved to the Finance IT Division, due to the fact that the employee tasked with this function did not have the required expertise necessary in order to provide this function optimally. In addition, this situation was exacerbated by the many difficulties experienced while attempting to develop the new website which were service provider related. Ultimately and in an effort to reduce operational and project costs overall, the IT division was requested to handle this function. In particular, it must be noted that the IT Manager developed the new website and has subsequently maintained this at no additional cost to council. As can be seen there are gaps that need to be addressed.

MUNICIPAL WEBSITE: CONTENT AND CURRENCY OF MATERIAL	
Documents published on the Municipality's /Entity's Website	Yes /No
Full Council details	Yes
Contact details of the Municipal Manager	Yes
Contact details of the CFO	Yes
Physical address of the Municipality	Yes
Postal address of the Municipality	Yes
All budget-related documents:	Yes
All budget-related policies	No
Annual report	No
The annual performance agreements for the municipal manager and other senior managers are placed on the website.	Yes
The date these agreements were posted on the website is shown	Yes
All service delivery agreements	Yes
All long-term borrowing contracts	No
All supply chain management contracts above R30 000	No
An information statement of capital assets that have been disposed	Yes
Contracts which impose a financial obligation on the municipality beyond 3 years	No
All quarterly reports tabled in council	No
Public invitations for formal price quotations	Yes
Public invitations for competitive bids	Yes
The number of quarterly reports tabled to council on the implementation of the budget	Yes
Oversight reports	No
Monthly budget statement	Yes
Mid-year budget and performance assessment	No
The IDP is placed on the website	Yes
The SDBIP is placed on the website	Yes
Strategy (LED)	No
Delegations	No
Internal Audit charter	No
Audit Committee charter	No
Risk Management Policy	No

2.2.7 Public Satisfaction on Municipal Services

During the period under review no Customer Care survey were conducted as no funding was allocated for Customer Care Surveys.

In an effort to provide opportunities for Customers to rate municipality and/or to complain, address issues of concern the following tools / opportunities are provided:

- a. Complaint boxes have been installed at designated Community Halls and all Municipal offices throughout the Senqu Municipal jurisdiction (Lady Grey, Sterkspruit and Barkly East). The boxes are opened weekly and the complaints /suggestions if any are channelled through the Communication divisions to the relevant Directorates for response;
- b. The Customer Care section has further developed a Customer Complaints Register for all external complaints (including calls, walk-ins and anonymous complaints). Reports (inclusive of statistics) are submitted to the Standing committee monthly;
- c. The Complaints Hotline has been installed (number is 0861 (Senqu) 73678), this together with feedback from the many public participation structures, the Presidential Hotline, Performance and Service Delivery statistics and the like, the organization continuously look for ways to address the issues raised and to improve the level of customer satisfaction;
- d. The Presidential Hotline is provided to ease the resolution and reporting of complaints; and
- e. The public are encouraged within all public participation initiatives to use these opportunities to discuss and resolve issues. Notwithstanding these efforts, the suggestion boxes are not fully utilised as the communities prefer face-to-face interactions with staff members at the Customer Care Division.

DISCLAIMER

The information provided within this report is reliant on the information provided by the various Directorates. Difficulties in validating data continues to be experienced and as such, the accuracy of all information provided cannot be assured.

It is the responsibility of all Directorates to provide the required information which is then required to be collated and submitted within the correct format. While it is acknowledged that certain directorates have attempted to provide this information as requested, most have not complied – perhaps due to recent issues that have surfaced in respect of certain contracts. Despite this, all parties are still within the employ of Senqu Municipality and are thus bound to

provide required information and not to impede progress – especially in an area such as this, which has compliance responsibilities.

In addition to the dynamics currently at play, it appears that staff within many directorates appear to believe that it is the responsibility of the collators and the co - ordinators' to provide all required information. This is unacceptable as the report is that of Senqu Municipality (with each directorate taking full responsibility for information relating to their specific directorate). Content and the accuracy thereof is not the responsibility of the collators' and the coordinators' – their role is simply to obtain, collate, align and restructure information provided and not to verify this in any way. In addition, it is the technical responsibility of all relevant directorate staff to provide inputs regarding performance and issues within their own directorates. They are required to take responsibility for any inputs provided as they are aware on a functional level as to what information is applicable / relevant. Under these circumstances the collators and the coordinators cannot be held accountable for the quality/accuracy/absence of information provided or the lack thereof.

This is the third draft of this report. While limited inputs have been received and acknowledged, it is understood and accepted that certain information may still be lacking from the information provided. The information is thus being presented with the full knowledge that certain of the detail provided might not reflect the required levels of accuracy. It is further noted that every effort has been made to align reporting to the information contained within other strategic and reporting documents.

In instances where information is found to be lacking or inadequate you are hereby advised that the coordinator of this report has only been able to work with the information provided to them – and as much as they have attempted to validate this where possible they cannot be held accountable – for the reasons reflected above.

This is an extremely serious situation and must be regarded and handled as such ---- failure to comply and provide accurate data may have serious consequences for Senqu Local Municipality.

Under these circumstances it is advisable that this situation be taken up formally with MPAC and following investigation - those persons who are found to be non-compliant in this regard need to be issued with the relevant compliance order so that this matter may be addressed formally, appropriately and once and for all.

CHAPTER THREE



SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART 1)

2018 - 2019

CHAPTER 3

SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART 1)

INTRODUCTION

Service delivery functions exist with their own set of challenges and this is very much a historic situation. Over the years, Senqu Municipality has been faced with challenges in respect of: old and ageing infrastructure and the scarcity of required resources for ensuring that service delivery targets are adequately addressed in a coordinated fashion. The municipality obtained a “clean audit” from the Auditor General’s office and having established that Senqu Municipality enjoys a sustainable and positive cash flow and financial “good health”, (experienced consistently over a number of consecutive years), the limited financial resources (for infrastructure development) impacts negatively on the ability of the organization to provide optimal service delivery within all areas and at all times.

This situation is exacerbated by the municipality being characterized by high levels of unemployment and an extremely small rate base. Ultimately, this all impacts on the revenue base and resultantly on the ability as an organization to have required and much needed financial resources with which to engage in infrastructure maintenance and development activities.

As already indicated, despite these issues, Senqu Municipality has received accolades, not only for its financial health but for the manner in which the IDP was compiled and the high levels of service delivery provided.

Reference is made to **Appendix D** (Functions of all municipal entities); **Appendix I** (Service Providers Report) and **Appendix F** (Service Delivery performance at Ward level) in order to provide both context and progress in terms of projects undertaken.

Currently the following service delivery functions are being provided by Senqu Municipality (noting that the water services and sanitation function are performed by Joe Gqabi District Municipality as the Water Services Authority):

- Electricity distribution – licensed areas only
- Provision of assistance to Eskom with rural electrification issues
- Street Lighting
- Roads construction and maintenance – municipal and access roads (including Stormwater Maintenance)
- Storm water and pavement construction
- PMU / Infrastructure planning and Technical Administration (including roads – PMU Construction)

- Library Services (Service Level Agreement entered into between Senqu Local Municipality and DSRAC on an agency basis. (Portion of funding received from DSRAC)
- Community Halls and facilities
- Cemeteries
- Sport and Recreational Facilities
- Parks and Public Open Spaces
- Public Safety
- Commonages
- Issuing of business licenses
- Communications
- Town Planning (Land Use Management, Housing and Building Control)
- LED (Tourism, SMME and Poverty Alleviation); and
- Building of crèches (Grant funding through MIG)

Each of these areas will be examined in terms of reporting on their performance for the period under review.

COMPONENT A: BASIC SERVICES

3.1 ELECTRICITY

3.1.1 Background

The National Energy Regulator of South Africa (NERSA) has licensed Senqu Municipality to distribute electricity within the towns of Sterkspruit, Lady Grey and Barkly East. It was always assumed that Eskom is licensed to supply the rural areas. In truth this is a matter of perspective as according to legislation, municipalities are considered to be “wall to wall” and the electricity authority overall, in terms of the Constitution.

Despite this thinking and aspect of interpretation, the following points are to be considered in terms of electricity disputes and issues currently faced:

- The matter for the right to reticulate electricity within the new 802-unit housing project in Barkly East (Boyce Nondala) remains “ongoing”. An official dispute was declared with Eskom and this has been submitted to NERSA. This process is currently still under way – five (5) years after the original application to NERSA;
- Public hearings were held in Pretoria during August 2017. The result was received in June 2018 despite Eskom having been informed by NERSA in March 2018 that NERSA had rejected Eskom’s application and that the matter would be required to be arbitrated by the Department of Energy. A meeting was held between all stakeholders, in East London during November 2018. This was chaired by NERSA. At this meeting, the Eskom representatives stated that due to the fact that NERSA had already decided not to incorporate the Boyce

Nondala area of distribution into the Eskom license, the only other organisation would have to be the Senqu Local Municipality. NERSA made a commitment to provide a final decision in this regard in writing. To date this has not been received, despite a reminder having been sent. Eskom is still currently distributing in the area as instructed by NERSA, until the final decision is taken. The primary purpose of this was to increase the revenue base of the municipality safely and to facilitate improved service delivery while implementing its rights in terms of the Constitution;

- It is noted that while most of the Senqu communities have access to electricity, there are certain communities that are still required to be electrified (either in the form of electricity installations of infill sites, new connections or for those that have no grid connection, solar power);
- Overall, it must be acknowledged that the standard of electricity provision within the licensed area is considered to be “reasonable” as the municipality strives to and manages to maintain the various National Rationalisation Standards (NRS 047 & NRS 048), ERA and the NERSA licence conditions;
- Electricity backlogs have been noted within the rural areas and it is currently calculated that 2 396 households do not yet have access to basic electrical services, and 301 households within the municipal area (urban invasion);
- 25 % of households have access to basic level of electricity that is provided by Eskom and 45% of household have access to basic level of electricity that is provided by Senqu municipality;
- The current electricity backlog within the rural area is being dealt with under the Integrated National Electrification Programme (INEP) that utilizes Eskom through INEP funding. A further R 5 000 000 was allocated to Senqu Municipality during the 2017/2018 financial year for 323 new connections in wards 2 and 3, in order to assist Eskom with the eradication of the backlog. This was completed during the 2018/2019 financial year, following the roll over approval from National Treasury;
- It is noted that a further amount of R 5 983 000 was approved for the current financial year (2018/2019) in order to complete a total of 368 backlog connections within the rural areas. These connections are planned for Wards: W 5 (102), W 12 (154), W 14 (71) & W 15 (41). Notwithstanding and due to the fact that Eskom has not been able to supply their own meters, another tender has had to be utilised for the purchase of these meters, following the appointment of the contractor. This led to a three (3) month delay in the project and resulted in under expenditure on the INEP funds. As a result, only 210 connections were

achieved during the 2018/2019 financial year. A motivation for the rollover of the remaining R 993 750.83 of allocated funds will be made to National Treasury in order to complete the full scope of works during the new financial year.

- The strategic Electrical Upgrade Programme has been running for the past six (6) years and is expected to run for a further five (5) years – although this is clearly dependent on available resources. On completion it is expected that all networks (LV and MV) will be upgraded, safety standards will have been met, service connections will have been replaced and metering systems updated and replaced (resource dependent) in order to achieve a fully functional AMI system, which will bring electrical losses down to an acceptable level. The ultimate target for losses is 8%. It is the intention that this would extend the lifespan of the distribution networks for an estimated further twenty-five (25) years, or longer, depending on presenting circumstances such as development, disaster and the like. This programme is completely dependent on the level of capital and operational funding made available within the approved budget; and
- The installation of pre-payment split phase, AMI ready, metering is continuing with a “phased - in” approach in order to assist with backlogs and to minimize losses.

3.1.2 Overall Challenges and Comments regarding Electricity Provision

- There are limited financial resources to accommodate required upgrades to old and ageing infrastructure;
- There are a great number of schools, clinics and other social facilities that don’t have a regular supply of electricity (if any supply at all);
- Affordability of the service is a challenge, recognizing that Senqu has such a high rate of unemployment;
- Electricity tokens are difficult to distribute as vendors are generally far from the rural areas and the population is widely spread over a large geographical area – in many cases with great difficulties being experienced in terms of transport;
- Electricity losses occur due to theft, poor metering management, poor network conditions in some areas, incorrect accounts, lack of resources for Quality of Supply monitoring (Eskom & Own networks) and transformer earthing issues. Despite these issues, improvements have occurred overall;
- It is noted that the quality of supply needs to be improved through the installation of capacitor banks on all points of supply from Eskom to the three towns licensed for distribution to Senqu Local Municipality;

- The lack of coordination of meter reading dates between the municipality and Eskom do result in in-accurate electricity loss information.
- An insufficient budget exists and this is required to be increased in order to remedy the situation;
- It is noted that Electricity backlogs exist within the rural areas (Eskom - specifically non-grid areas). These are being addressed by Eskom with assistance from the municipality, in terms of the INEP. This assistance will however end in the 2019/2020 financial year, based on the 2018/2019 INEP allocation, due to the fact that there is insufficient DoE funding allocated per household. This has resulted in tenders exceeding the allocation, which in turn results in stress being placed upon the municipal budget. Eskom was presumed to have been licensed for these areas, but this is not the case. Notwithstanding, it is noted that 85.7 % of the municipality rural area has been served and 83.54% of urban areas, based on a total household count of 39 570 (reflecting an increase of 992 H/H's in housing projects) rural connections and 2 994 urban connections and therefore a total of 42 564 households. An additional 493 in-formalised households were added to the municipal backlog, hence the decrease in households served. Eight (8) permanent disconnections were completed in the urban area due to theft;
- The Council has resolved to distribute electricity under the Senqu license within the commonage areas surrounding the towns. This has begun with the "Newtown" or "Boyce Nondala" area as it is now known. This application was made in terms of the Electricity Regulation Act of 2006, during 2013. Negotiations with Eskom have failed, and the matter will continue in terms of the Electricity Regulation Act and the Constitution until resolved;
- SALGA is required to take up the matter of electrical distribution rights within municipalities and it is noted that this would require a change to legislation as Eskom does not traditionally accede to existing areas of their "claimed" area of distribution being transferred to municipalities. This issue needs to be addressed in terms of the Constitution and a municipality may only allow an external service provider to distribute if a Section 78 process has been completed and a Service Delivery Agreement is in place;
- It is noted that the Supply Chain Management function is impractical in application when it comes to the rural circumstances. Attempts to source suitable service providers inevitably result in lengthy delays, which in turn result in potential under-expenditure, service delivery delays and unnecessary stress for staff in order to meet required targets;
- There is currently a lack of sufficient funding to obtain a full staff complement and scarcity of skills is experienced. This results in the municipality experiencing numerous issues relating to non-compliance and financial risk;

- The target percentage for losses was previously set at 10%. COGTA has subsequently regulated an 8% national norm and the municipality will accordingly reset its final target to 8% or less, over the next 3 years. It is expected that this target will be met by June 2022 (resource dependent);
- The lack of interest from Eskom regarding the municipality's requirements is un-acceptable and is negatively affecting civil capital projects in that their infrastructure is required to be moved in order for roads to be constructed, despite payment by the contractor. At the time of this report Eskom finally moved their infrastructure in February 2019 allowing the project to achieve practical completion. The delays have however resulted in additional expenditure to the project, which will hopefully be recuperated back from Eskom;
- There is an urgent need for an electrician in Lady Grey town. It reflects currently as an unfunded vacant position on the organogram and attempts to appoint a suitably qualified candidate over the past two years have been unsuccessful;
- A critical situation has been created by the practice of allowing senior staff who earn in excess of the threshold, time off in lieu of overtime rather than paying overtime rates. Due to the challenges of insufficient capacity available within the electricity division, this practice results in the electrical section being unable to function effectively and places other staff at risk as they work without supervision. This matter was referred to Top Management who obtained a legal opinion - advising against payment of overtime. This is contradiction of the LRA, ERA, electrical license of NERSA and OHS and a report was resubmitted to Top Management for further action. Management have re-submitted this for legal counsel but to date there has been no response. This still leaves the municipality at great risk in terms of compliance (NRS) and financial viability (Credit control).
- Eskom meters are found to have been installed within the Senqu area of distribution. This has been reported to Eskom, but the trend seems to be continuing;
- Currently the details surrounding Eskom payments via INEP are not known as it has been a number of years since the municipality last signed off on a DORA report. This affects municipal and Eskom planning negatively as no information has been received since 2015 regarding progress of backlog reduction and cost related thereto. Despite numerous meetings to date, Eskom has only supplied 2018/2019 connection figures of 300;
- Eskom is the current recognized licensed supplier of electricity in rural areas. As such they do not allow other utilities to utilise their infrastructure. As a result, and due to the required infrastructure duplication, it therefore becomes extremely expensive to supply public lighting;
- All users of electricity token meters (STS TDI rollover pre-paid meter and vending systems software updated to STS6) have to be reset by the year 2024 but the target set by the AMEU is 2022. This is directly due to the worldwide programming having reached its maximum

number of available tokens. The metering department of the financial services section is required to address this as a matter of urgency as the tokens will not be accepted after 2024. Failure to comply will prevent electricity sales and this in turn will result in corresponding consumer complaints and losses.

This situation involves a special configuration change to be made to all pre-paid meters and vending systems. This must be addressed with meter suppliers, regarding new procurement and this will be conducted by the electricity section of the Technical Services Department for new meters only; and

- It is noted that insufficient funding exists for new street lighting and the replacement of old lights with LED's in order to reduce consumption without loss of effect.

3.1.3 Achievements

During this financial year the following work was completed successfully:

- 1 950m of new electrical LV conductors was strung;
- Transformers maintained: 11
- 533 Households electrified
- Meters replaced: 405
- Disconnections for non-payment: 83
- Reconnections: 67
- Call outs: 356
- Overtime hours: 3 071
- Service connection faults: 267
- OH line faults: 33
- UG cable: 3
- Street Light complaints received and dealt with: 148
- New street lights installed: 15
- Street lights replaced: 217
- High mast tower repairs: 17
- Street light repairs: 519
- Municipal Outages Planned: 26
- Unplanned municipal outages: 71
- Planned Eskom outages: 82
- Unplanned Eskom outages: 9
- Illegal connections: 8
- Store value: R 408 335.67
- Electricity losses: 16%

- New Eskom connections: 300 (This is an estimated figure as Eskom has not forwarded the required data as requested).

a. Progress to date is reflected as follows (2018/2019)

	INDICATOR NAME	TOTAL NUMBER OF HOUSEHOLD/CUSTOMER EXPECTED TO BENEFIT	ESTIMATED BACKLOGS (ACTUAL NUMBERS) End of 2017/18	TARGET SET FOR THE FINANCIAL YEAR UNDER REVIEW (ACTUAL NUMBERS)	NUMBERS OF HOUSEHOLDS/CUSTOMERS REACHED DURING THE FINANCIAL YEAR	PERCENTAGE OF ACHIEVEMENT DURING THE YEAR
1	Percentage of households with access to electricity services	Urban: 56 Rural: 833 (Estimated 300 + 210+ 323)	Urban: 493 Rural: 2 823	Urban: 60 Rural: Conducted by municipality. 368 started by the LM on behalf of Eskom in rural areas but only 210 achieved. Rollover to be applied for (See challenges) Figure of 2 823 reduced to 1 593 by Eskom.	Urban: 56 new connections Rural: 300	93.3% (Eskom meters not received but ready for connection) 18.8% (Eskom)
2.	Percentage of indigent households with access to basic electricity services	100% of applicants (Urban) 100% of applicants (Rural)	On application 29 458 (Rural estimated)	725 (Urban)	715 (Urban) 11 990 (Rural)	100% 100%

ESKOM DISTRIBUTION (RURAL AREA – DATA IS ESTIMATED DUE TO THE LACK OF INFORMATION PROVISION FROM ESKOM)

b. Electricity Service Delivery Levels

ELECTRICITY SERVICE DELIVERY LEVELS				
Households (Eskom Area)				
Description	2015/16	2016/17	2017/18	2018/19
	Actual No.	Actual No.	Actual No.	Actual No.
Energy: (above minimum level)				
Electricity – prepaid (min. service level)	34 064	34 564	35 685	33 892
<i>Minimum Service Level and Above sub-total</i>	85.3%	83.46%	92.22%	85.7%
<i>Minimum Service Level and Above Percentage</i>				
Energy: (below minimum level)				
Electricity (<min. service level)	0	0	0	0
Electricity-prepaid (<min. service level)	0	0	0	0
Other energy sources	5 756	6 889	2 741	5 678
<i>Below Minimum Service Level sub-total</i>	14.7%	16.65%	7.78%	14.3%
<i>Below Minimum Service Level Percentage</i>				
Total number of households	41 408	41 453	38 347	39 570

c. ESKOM Consumers

HOUSEHOLDS – ELECTRICITY SERVICE DELIVERY LEVELS BELOW THE MINIMUM						
ESKOM AREA						
Households						
Description	2016/17	2017/18	2018/19	2018/2019 '000		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total households	41 453	38 347	39 570	7 361	6 368	533 (by LM)
Households below minimum service Level	6889	2 741	5 678	36 000	4 950	300
Proportion of households below minimum service level	16.65%	7.78%	10.8%	-	-	-
Informal Settlements						
Total households	Available					
Households below minimum service Level	Above					
Proportion of households below minimum service levels						
Household calculations rectified by subtracting municipal households from Eskom due to separate “areas of supply The Senqu Local Municipality assisted Eskom with an additional amount of 533 connections in the rural area through INEP funding.						

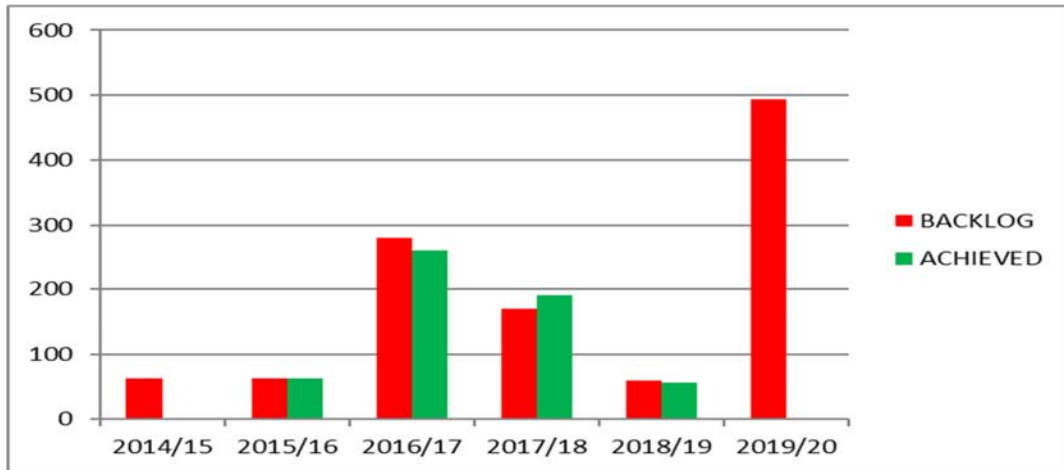
d. Electricity Service Delivery Levels

ELECTRICITY SERVICE DELIVERY LEVELS				
Households(Municipal)				
Description	2015/2016	2016/2017	2017/2018	2018/2019
	Actual No.	Actual No.	Actual No.	Actual No.
Energy: (above minimum level)	1 680	1 683	834	560
Electricity (at least min. service level)	768	1 058	1 909	2434
Electricity – prepaid (min. service level)	2 448	2 761	2 763	2994
<i>Minimum Service Level and Above sub-total</i>	89.7%	99.2%	88.96%	89,88%
<i>Minimum Service Level and Above Percentage</i>				
Energy: (below minimum level)	282	22	363	303
Electricity (<min. service level)	0	0	0	0
Electricity-prepaid (<min. service level)	1 680	1 683	834	560

e. Municipal Backlogs (Area of Distribution)

YEAR	2015/2016	2016/2017	2017/2018	2018/2019
BACKLOG	63	280	170	60
ACHIEVED	63	260	190	56

Municipal backlogs as reflected per table above in graph below (2018/2019)



Municipal backlogs increased due to informal settlement connections planned for the 2019/2020 financial year.

TOTAL BACKLOGS (Eskom & Municipality)

ESKOM DISTRIBUTION – Data is estimated due to lack of information provision from Eskom)

Total Households	Original Backlog Rural (Eskom)	Target Eskom (2017/2018)	Actual Eskom (Estimated)	New Backlog (Rural)	Original Backlog (Urban)	Target (Urban)	Actual (Urban)	New Backlog (Urban)	Total Backlog (end FY)
43514	2728	950	400	2328	763	428	266	335	2663

Note: These targets were received from Eskom for the 2018/2019 financial year.

f. Households with Electricity Service Levels Below the Minimum Service Levels

HOUSEHOLDS – ELECTRICITY SERVICE DELIVERY LEVELS BELOW THE MINIMUM						
MUNICIPAL AREA						
HOUSEHOLDS						
Description	2015/16	2016/17	2017/2018	2018/2019		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Actual No.	Original Budget No.
Formal Settlements						
Total households	2 448	2 448	2 448	2 448	2 454	2 448
Households below minimum service Level	0	0	0	60	56	60
Proportion of households below minimum service levels					0	
Informal Settlements						
Total households	2 343	2 448	2 741	2 448	2510	2 448
Households below minimum service Level	63	63	20	0	0	0
Proportion of households below minimum service levels	2.6%	11.4%	11.4%	0%	0%	0%

The new financial year will begin with a backlog of 303 additional houses that are planned for connection through INEP Funding. R 3.2 M has been approved for the 2019/2020 financial year within own licensed area in informal areas. Council may have to decide to reduce the number of houses to be electrified as the amount normally allocated by the DoE does not fully cover the total cost of the services and will in most probability require counter-funding from the municipality. The implications of this will be observed at the closing of the tender.

g. Electricity Service Policy Objectives taken from IDP (as per table that follows on page 107)

Electricity Service Policy Objectives taken from IDP

ELECTRICITY SERVICE POLICY OBJECTIVES TAKEN FROM IDP									
Service Objective	Outline Service Targets	2016/2017		2017/2018					*Following Year
		Target	Actual				Target		
		*Previous Year		*Previous Year	*Current Year	Actual	2018/19	2019/2020	2020/2021
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective									
Provision of minimum supply of electricity	Additional households (HHs) provided with minimum supply during the year (No elect.)	1 878 (Eskom) Munic - 260	859 (Eskom) Munic -280	1 878 (Eskom) Munic - 260	1 123 (Eskom) Munic for Eskom- 323	Eskom – 1 123 Estimated- No Eskom information Munic – 0 [Meters not received from Eskom]	Eskom Planned: 1 005 Municipality: 323 for Eskom from previous year and 511 for current year = 834 total	Eskom Planned: 400 [Estimated infills] Municipality: 363	Planned Eskom = Municipal: 322
Facilitate the provision to access to adequate basic services in the area of Electricity / Reduce backlogs in service delivery in the areas of Electricity	Reports developed to detail manner in which backlogs for electricity& roads will be alleviated & sustained with financial planning All Wards / Provision of Implementation plan & quarterly reports to detail manner in which backlogs will be managed/ Municipal Manager/ Manager TS	12 x monthly reports 4 x Quarterly reports	12 x monthly reports 4 x Quarterly reports	12 x monthly reports 4 x Quarterly reports	12 x monthly reports 4 x Quarterly reports	12 x monthly reports 4 x Quarterly reports	12 x monthly reports 4 x Quarterly reports	12 x monthly reports 4 x Quarterly reports	12 x monthly reports 4 x Quarterly reports

ELECTRICITY SERVICE POLICY OBJECTIVES TAKEN FROM IDP									
Service Objective	Outline Service Targets	2016/2017		2017/2018					*Following Year
		Target	Actual				Target		
		*Previous Year		*Previous Year	*Current Year	Actual	2018/19	2019/2020	2020/2021
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective									
Facilitate a improved electricity infrastructure and service provision as per implementation strategy and plan	Management, monitoring & oversight to ensure improved electricity infrastructure & service provision as per implementation strategy & plan in respect of report on no of New connections (no of application) /no new meters installed/ changed serviced /repaired & no new conductors replaced /networks changed /establish a store	Reduce Electricity losses to below 18%	<ul style="list-style-type: none"> • 7 952 m of new MV & LV conductor stringed, • 559 m of conductor replaced, • 3 x Transformers were refurbished, • 293 new connections, • 219 non-payment disconnections, • 131 reconnections, • 224 meters replaced, • 214 call outs dealt with, • 2 710 hours overtime worked, • 159 service connection faults, • 28 OH line faults, • 11 UG cable faults, • 175 street complaints, 	Reduce Electricity losses to below 18%	Reduce Electricity losses to below 16%	<ul style="list-style-type: none"> • New conductor erected: MV=0 LV = 2 634 m • Conductor replaced: • MV=0 LV=164 m • Transformers refurbished = 4 • New connections = 193 • Meters replaced = 319 • Disconnections for non-payment = 77 • Reconnections = 48 • Call outs =191 • Overtime hours = 2 962 • Service connection faults = 108 • OH line faults = 22 • UG cable = 2 • Street Light complaints = 200 	Reduce losses to below 18%	Reduce losses to under 16%	Reduce losses to below 14%

ELECTRICITY SERVICE POLICY OBJECTIVES TAKEN FROM IDP									
Service Objective	Outline Service Targets	2016/2017		2017/2018					*Following Year
		Target	Actual				Target		
		*Previous Year		*Previous Year	*Current Year	Actual	2018/19	2019/2020	2020/2021
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective									
			<ul style="list-style-type: none"> • 27 new street lights installed • 123 street lights replaced, • 5 high mast towers refurbished, • 467 street repairs, • OUTAGES: • Munic Unplanned- 11 • Munic Planned- 13 • Eskom Unplanned- 7 • Eskom Planned- 3, • Illegal connections- 11, • 260 new consumers connected in Sterkspruit through INEP, • store value dropped to approx. R 818 000 from approx. R 1 522 000 in the previous year 			<ul style="list-style-type: none"> • New street lights = 8 • Street lights replaced = 140 • Highmast tower repairs = 19 • Street light repairs = 327 • Outages Planned Municipal = 17 • Outages unplanned Municipal = 16 • Eskom planned outages = 0 • Eskom outages unplanned = 6 • Illegal connections = 14 • Store value = R 697 312.15 • Electricity losses = 13.83% 			

ELECTRICITY SERVICE POLICY OBJECTIVES TAKEN FROM IDP									
Service Objective	Outline Service Targets	2016/2017		2017/2018					*Following Year
		Target	Actual				Target		
		*Previous Year		*Previous Year	*Current Year	Actual	2018/19	2019/2020	2020/2021
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective									
Facilitate a improved electricity infrastructure and service provision as per implementation strategy and plan	Management, monitoring & oversight to ensure improved electricity infrastructure & service provision as per implementation strategy & plan in respect of report on no of New connections (no of application) /no new meters installed/ changed serviced /repaired & no new conductors replaced /networks changed /establish a store	Reduce Electricity losses to below 18%	<ul style="list-style-type: none"> • 7 952 m of new MV & LV conductor stringed, • 559 m of conductor replaced, • 3 x Transformers were refurbished, • 293 new connections, • 219 non-payment disconnections, • 131 reconnections, • 224 meters replaced, • 214 call outs dealt with, • 2 710 hours overtime worked, • 159 service connection faults, • 28 OH line faults, • 11 UG cable faults, • 175 street complaints, 	Reduce Electricity losses to below 18%	Reduce Electricity losses to below 16%	<ul style="list-style-type: none"> • New conductor erected: MV=0 LV = 2 634 m • Conductor replaced: • MV=0 LV=164 m • Transformers refurbished = 4 • New connections = 193 • Meters replaced = 319 • Disconnections for non-payment = 77 • Reconnections = 48 • Call outs =191 • Overtime hours = 2 962 • Service connection faults = 108 • OH line faults = 22 • UG cable = 2 • Street Light complaints • = 200 • New street lights = 8 • Street lights replaced = 140 	Reduce losses to below 18%	Reduce losses to under 16%	Reduce losses to below 14%

ELECTRICITY SERVICE POLICY OBJECTIVES TAKEN FROM IDP									
Service Objective	Outline Service Targets	2016/2017		2017/2018					*Following Year
		Target	Actual				Target		
		*Previous Year		*Previous Year	*Current Year	Actual	2018/19	2019/2020	2020/2021
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective									
			<ul style="list-style-type: none"> • 27 new street lights installed, • 123 street lights replaced, • 5 high mast towers refurbished, • 467 street repairs, • OUTAGES: • Munic Unplanned- 11 • Munic Planned- 13 • Eskom Unplanned- 7 • Eskom Planned- 3, • Illegal connections- 11, • 260 new consumers connected in Sterkspruit through INEP, • store value dropped to approx. R 818 000 from approx. R 1 522 000 in the previous year 			<ul style="list-style-type: none"> • Highmast tower repairs = 19 • Street light repairs = 327 • Outages Planned Municipal = 17 • Outages unplanned Municipal = 16 • Eskom planned outages = 0 • Eskom outages unplanned = 6 • Illegal connections = 14 • Store value = R 697 312.15 • Electricity losses = 13.83% 			

h. Electricity Losses (Historic to Date)

2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
23.9%	14.9%	20.89%	18.31%	12.95%	16.76%	17.5%	14%	16 %

Upon completion of the following operationally planned targets it is anticipated that electricity losses will reduce to a level of 8% during the 2024 financial year:

- Completion of the AMI Meter project, inclusive of data collectors (budget dependent);
- Minor conductor upgrades;
- Employment of a Lady Grey Electrician;
- Installation of check sectional metering (Budget dependent);
- Installation of capacitor banks on the MV to ensure quality of supply;
- LV phase balancing (ongoing); and
- Assessment of loss calculations in order to reduce the time lapse in order to ensure efficiency and correctness.

3.1.4 Table: Employee Statistics: Electrical Services

EMPLOYEES: ELECTRICITY SERVICES					
Job Level	Year 1	Year 2018/2019			
TASK SYSTEM	Employees No.	Posts No.	Employees No.	Vacancies (full time equivalents) No.	Vacancies (as a % of total posts)
0-3		0	0	0	0
4-6	5	6	6	0	0
7-9	0	7	7	0	0
10-12	2	3	2	1	33%
13-15	0	1	1	0	0
16-18	1	1	1	0	0
19-20	-	-	-	0	0
Total	8	18	17	1	5.6%
<p><i>Total should equate to those included in the Chapter 4 total employee schedule. Employees and Post numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p>					

Note: No funded vacant positions exist for this year.

3.1.5 Financial Performance

FINANCIAL PERFORMANCE YEAR JUNE 2019: ELECTRICITY SERVICES					
R'000					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	66 916	68 762	68 802	62 958	-5 844
Expenditure					
Employees	5 751	4 417	4 413	6 297	-1 884
Repairs and Maintenance	2 148	1 889	2 459	2 091	365
Other	31 427	41 706	43 924	37 399	6 525
Total Operational Expenditure	39 326	48 012	50 796	45 787	5 009

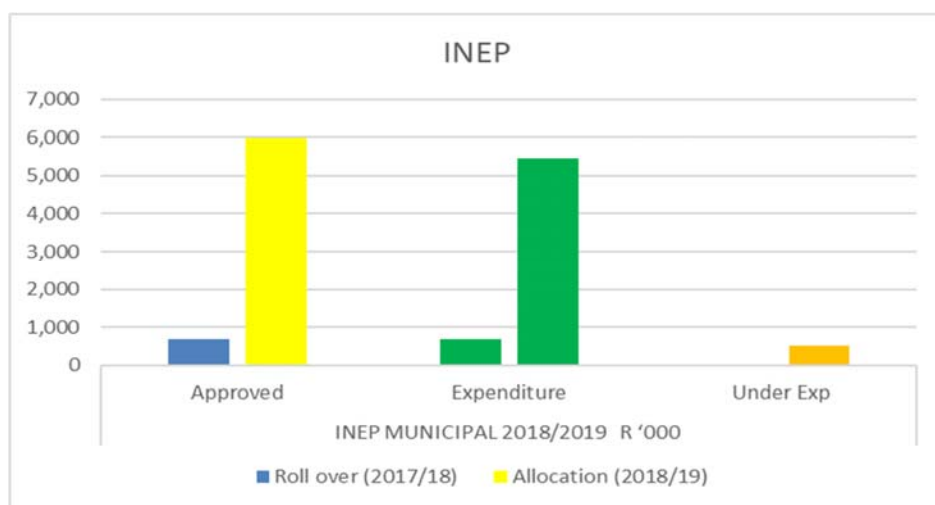
3.1.6 Electricity Services Capital Expenditure 2018/2019

CAPITAL EXPENDITURE YEAR 2018/2019: ELECTRICITY SERVICES					
MUNICIPAL AREA					
R' 000 (Ex VAT)					
Capital Projects	2018/19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All					
Tools & Equip & Vehicles	1 550	1 564	63	14	1 564
Infrastructure	2 223	3 089	2 185	866	3 089

3.1.7 Municipal INEP Allocation (2018/2019)

INEP MUNICIPAL 2018/2019				
Allocation	Budget	Actual	Variance	Total Project Value
5.983	5.983	5.498	523	5.893

INEP EXPENDITURE AS PER ABOVE TABLE (2018/2019)



A roll over amount of R 677 707.08 was approved by National Treasury from the 2017/2018 financial year due to the fact that completion of the project was impeded by Eskom meters failing to be received in time; due to an extension of time requested by the contractor (due to the same issue); and due to the additional scope of work requested and required in terms of network extensions. The municipality was also required to counter fund the tender to an amount of R 701 150.49. The scope of the above was to complete the original 323 connections approved by the INEP for the 2017/2018 financial year in an effort to assist Eskom with backlog eradication.

Additionally approved funding to the value of R 5 983 000 was received through INEP for the connection of an additional 368 within the Eskom area for the 2018/2019 financial year. Of these only 210 were able to be completed due to Eskom being unable to supply their own meters as done previously and due to SCM not making allowances for an additional scope of work extension to the contractor to supply the meters. These issues effectively extended the project by an additional three (3) months, resulting in a rollover application to National

Treasury for the balance of R 523 077.06. This is still to be approved, in order to complete the project.

A further R 3.2 M has been approved by the DoE, through INEP, for an additional 303 new connections within the municipal licensed area. No future assistance will be provided to Eskom in terms of INEP due to capacity issues within the municipality.

3.1.8 Operational Cost Electrical Services (Distribution)

OPERATIONAL EXPENDITURE: YEAR JUNE 2018: ELECTRICAL SERVICES (DISTRIBUTION)					
DETAILS	2017/2018	2018/2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	66 916	68 761 879	68 801 879	54 854 090.55	13 947 788.45
Expenditure					
Employees	5 237	4 801	5 885	4 901	-984
Repairs and Maintenance	1 652	1 186	4 413	4 111	-302
Other	31 074	41 710	24 308	42 810	18 502
Total Operational Expenditure	37 963	47 697	34 606	51 822	17 216

3.1.9 Operational Cost Electrical Services Street Lighting

OPERATIONAL EXPENDITURE 2018/2019: STREET LIGHTING				
Details	2018/19			
	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1.439	1.369	1.369	0
Expenditure				
Employees	576	596	596	0
Repairs and Maintenance	479	3	3	0
Other	282	770	1.117	0
Total Operational Expenditure	1.337	1.369	2.250	-881

3.1.10 Capital Expenditure Year 2018/2019: Electricity Services (Street Lighting)

CAPITAL EXPENDITURE YEAR 2018/2019: ELECTRICITY SERVICES (STREET LIGHTING)					
MUNICIPAL AREA					
R' 000 (Ex VAT)					
Capital Projects	2018/2019				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All	0	0	0	0	0
Tools & Equip & Vehicles	0	0	0	0	0
Infrastructure	100	164	149	15	164

3.1.11 Comments on Electricity Services Performance Overall

- The primary role of the Eskom projects is to reduce rural backlogs on an ongoing basis in terms of INEP and as identified by Council. In terms of the Constitution, the Municipality is the Electrical Authority within its area and should any electrical distribution be outsourced, it is required to first complete a Section 78 (Municipal Systems Act) and thereafter enter into a Service Delivery Agreement (Electrical Regulation Act). It is noted that this has not currently been conducted in any area where Eskom is currently distributing. Despite this, it is the intention of the municipality to apply to NERSA for distribution rights in certain areas (identified at the discretion of Council) and inclusive of the current Boyce Nondala situation, that has not to date been resolved by NERSA (despite the application having been submitted as far back as 2013). In support of this, the role of municipalities (in terms of related projects), is to obtain equipment and to upgrade infrastructure (including

metering) on an ongoing basis, so as to reduce electricity losses, increase revenue, increase safety and improve the quality of supply. Eskom has its own maintenance programmes, as does the municipality;

- Electricity distribution and street lighting are seen as one service as both are conducted by the same section;
- Within this period the municipality has: attended meetings with all stakeholders (inclusive of NERSA) during November 2018, in order to finalise the Boyce Nondala distribution rights. This has to date not been finalized despite correspondence submitted to NERSA requesting a final decision in this regard. The indication is that NERSA is not complying with its mandate;
- The following rural projects were identified by Eskom for electrification during the 2018/2019 financial year (INEP):
 - Eskom Rural areas: 2 823, reduced to 1 593 planned connections. Only 300 were achieved after removal of DoE funding;
 - Municipality Rural areas: Completion of 323 connections in Wards 2 & 3 and 368 in various wards. Only 210 were achieved as explained under INEP;
 - 2019/2020 (Urban areas): A total of 303 planned connections within licensed areas with INEP funds. An additional 32 applications for power are estimated;
 - The erection of street lights in “Eskom” areas is proving to be problematic as Eskom will not allow its infrastructure to be used and this results in duplication and extra expense;
 - Refurbishment of five (5) transformers;
 - Ongoing maintenance:
 - Replacement of 405 meters to AMI ready split phase;
 - 1 950 m of Low Voltage conductor was erected;
 - 15 new street lights were erected; and
 - 217 street lights were replaced.
 - The stores value dropped to R 408 335.67 from R 697 312.15 during the previous year. This represents a 48% improvement;
 - There were no electrical accidents or fatalities during the 2018/2019 financial year;
 - 8 Illegal connections were dealt with;
 - Various ongoing training activities took place during the year;
 - All electrical projects have been included within the IDP;
 - All INEP reporting requirements have been met (Financial & Non-Financial);
 - It remains critical that an electrician be employed for Lady Grey;
 - It remains critical that over the threshold employees are paid overtime and not given “time off in lieu of overtime”, as it impacts on service delivery and is in contradiction with their employment contracts;
 - It remains urgent that the NRS conditions are met and therefore prioritised;

- It is critical that SCM processes are streamlined and responsive to contract management conditions on the ground;
- It is acknowledged that the DoE INEP allocations have proven to be lower than the amount actually required based on tenders received. It is recommended that this be analysed by the DoE; and
- It is acknowledged that backlog figures have been supplied by ward councillors in order to assist with this process of assessment and to improve the accuracy thereof.

3.2 WASTE MANAGEMENT (REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

Note: In terms of the mSCOA implementation, this function was initially moved from the Community Services Directorate to the Technical Services Directorate. As of 1st July 2017, this function again returned to the Community Services Directorate.

3.2.1 Waste Management

Solid waste management has as its focus the improvement of the management of the environment and creating a healthy and aesthetic living environment for all.

Legislation most pertinent to the management of waste in South Africa is the recently enacted National Environmental Management Waste Act, (Act 59 of 2008). This act was promulgated in order to provide for:

- institutional arrangement and planning matters,
- national norms and standards for regulating the management of waste by all spheres of government, and
- the licensing and control of waste management activities and all matters connected therewith.

In essence, it provides the much-needed legislative framework for the management of waste in South Africa.

Other objectives of Solid Waste Management are detailed as follows:

- Promoting and ensuring the effective delivery of waste services;
- Achieving Integrated Waste Management reporting and planning;
- Avoiding and minimising the generation of waste;
- Reducing, re-using, recycling and recovering waste;
- Preventing pollution and ecological degradation;

- Conducting efficient and effective Waste Awareness Campaigns;
- Ensuring that people become aware of the impact of waste on their health, well-being and the environment; and
- Providing for compliance with the measures set out in the Act.

It is the overall intention and objective of waste management, to improve the management of the environment, to combat illegal dumping and to ensure that all refuse and waste is removed and disposed of timeously and in the appropriate manner.

3.2.2 Targets identified and implemented during 2018/2019

In an effort to achieve these objectives the following targets were identified and implemented in as far as possible:

- **Conducting of EIA's (Environmental Impact Assessments) and construction of landfill sites.** More specifically during the current financial year EIA's have been approved in the Herschel and Rossouw landfill sites with construction set to resume during 2020-2021;
- **Development of solid waste sites in Rossouw, Herschel and Rhodes;**
- **Upgrading of two landfill Sites (Lady Grey and Barkly East).** It is noted that the upgrading of the Barkly East landfill site is in its completion stage. Currently the greatest challenge relates to the Lady Grey site as there is no contractor currently on site;
- **Building of waste storage facilities in rural areas/ Transit sites.** In terms of progress it is noted that the waste storage facilities could not be built due to the fact that the budget was removed and this process was unable to move forward with the required procurement of a service provider in order to conduct a feasibility study on waste storage facilities;
- **Closure of Sterkspruit Solid Waste Site;**
- **Effective waste collection;**
- **Installation of Compliance Signage.** It is noted that compliance signage could not be installed due to insufficient budget;
- **Waste awareness campaigns conducted within the Community.** It is noted that Waste Awareness campaigns were conducted within the Communities in wards 8, 10,13,14,15, and 16; and
- **Waste Awareness campaigns conducted within Schools.** Waste Awareness campaigns were conducted within Schools in wards 8,10,13,14,15, and 16.

a. EIA's and Landfill Sites

- **EIA's were conducted in the following areas for the development and construction of landfill sites:**
 - Rhodes (objections received from the Rhodes rate payers resulted in non-approval);
 - Herschel (final approval awaited. Delays with DEDEAT and DWS); and
 - Rossouw ((final approval awaited. Delays with DEDEAT and DWS).
- **The following landfill site upgrades were planned:**
 - The Barkly East Solid Waste Site.
 - Lady Grey Solid Waste Site
- **Barkly East Solid Waste Site:**
 - Targets have been met and these relate to: the construction of cells earthworks, 500 m perimeter fencing, 500m concrete drains and 500m gravel roads conducted. Bulk excavation occurred: Cells 8500 cubic metres; Road works: 150m of paved road; Building: 30% foundations complete for sorting facilities; Drainage pipes: 80.5m; Fencing: 1.625km; Ponds: 112.5 cubic metres and Retaining walls: 85% - foundations complete and 42.5m of the 50m long retaining wall.
- **Lady Grey Solid Waste Site:**
 - Little progress has been made and the contractor has not been on site since the start of this year due to cash flow challenges. This contractor's services are to be terminated and the contract tender re-advertised.

b. Waste Sites

Waste sites are located in Lady Grey, Barkly East, Sterkspruit, Rhodes and Rossouw. Two (2) licenced sites are to be found in Lady Grey and Barkly East. The remaining three (3) unlicensed sites are located in Sterkspruit, Rossouw, and Rhodes. While all of these remain operational, sites do experience related challenges, such as:

- Insufficient staff;
- Old and ageing vehicles;

- Inadequate plant and equipment in order to manage solid waste disposal sites in terms of legislation;
- Breakdown of vehicles (no mechanic available for maintenance);
- Non-compliance with legislation, with the resulting consequences;
- Lack of recycling projects and related components;
- Delays in terms of Solid Waste Site lining projects due to insufficient resources; and
- Overall it is noted that Solid Waste is not receiving the resources required, in order to meet Constitutional and legislative requirements.

Status of Landfill Sites:

LANDFILL SITE	STATUS QUO AND CONDITIONS
Lady Grey Landfill Site	<ul style="list-style-type: none"> Classified as G.S.B- (Class D); Licensed for operational (16/2/7/D120/D8/Z1); No plant or equipment for proper cover and compaction of disposed waste; The waste is disposed of in a cell (Now illegal but due to lack of plant this practice has continued); Landfill site has been fenced, for access control; Cells are still required to be lined and the contractor is on site; and <p>The Contractor was appointed by the municipality to upgrade the cell (lining). The contractor has moved out of the Project without beginning the lining process); and</p> <ul style="list-style-type: none"> The Weighbridge is calibrated. This was calibrated during the third quarter and only finalized during the fourth quarter. This occurred as the site was handed over to the "lining contractor", rendering required access to the weighbridges impossible for calibration to be completed.
Sterkspruit Landfill Site (old Site)	<ul style="list-style-type: none"> The Closure License expired 30th June 2018. The municipality has applied to DEDEAT for the extension of the license in order to finalise the new planed landfill sites in Sterkspruit (HO/A/14/L043/14). The extension was granted to the municipality by DEDEAT for a three (3) year period and this will terminate in 2021. <p>The municipality could not continue with the new site which was earmarked for the construction of the new landfill site, due to the fact that the site was not found to be suitable for the construction of the new landfill site. In addition, the required buffer zone was insufficient;</p> <ul style="list-style-type: none"> There is no burning of waste in the cell and there is no compaction (this is illegal); The site has been fenced. The service provider was appointed for the fencing of the Sterkspruit landfill site and it was fenced off as required; An ongoing challenge exists in terms of the need for plant and equipment for proper cover and compaction. No plant and equipment for proper covering and compaction on site exists; Improvements within this site have been made and the site is currently compliant with the Occupational Health and Safety Act in respect of the health and safety of its employees (access to toilets, shelter, running water and the like – as previously identified); and The municipality was expected to have completed the rehabilitation and closure of the old Sterkspruit dumping site by the end of the 30th June 2018. It must be noted that the site could not be closed due to the fact that the municipality is currently still struggling to establish a new site in Sterkspruit. It was then opted to request for the extension of the license.

Status of Landfill Sites (cont.)

LANDFILL SITE	STATUS QUO AND CONDITIONS
Sterkspruit (New)	<ul style="list-style-type: none"> • The municipality has expropriated land in Tapoleng village (Ward 17) where a new disposal site was to have been developed. The application was closed by DEDEAT due to the fact that the site was not compliant and was not found to be suitable for the development of the landfill site. The buffer zone challenge contributed to this decision; • Moving forward the municipality was required to restart the application for the development of the landfill site in Sterkspruit, following the DEDEAT closure of the application, due to the non-submission of the geohydrological report on the due date. As required public participation initiatives have already begun and the EIA process is required to be begin.
Hershel landfill Site	<ul style="list-style-type: none"> • Currently there is no landfill site facility although progress towards this has been made. • While the municipality had budgeted for the establishment of the landfill site in the 2017/2018 financial year, a delay was experienced in the completion of the EIA; • The EIA has since been completed and the landfill site construction will resume during the next financial year i.e. 2020-2021 • Waste is transported to Lady Grey and Sterkspruit.
Rural waste storages facilities (drop off zones)	<ul style="list-style-type: none"> • This project did not begin during the last financial year due to confusion between the PMU and the user departments regarding the required project specifications. Ultimately the wrong specifications were submitted by the PMU section and these submissions did not correspond with the specifications provided by the user department. Although the confusion regarding the specifications has been corrected, the required budget was not made available and will be required to be addressed during 2020/2021.
Rossouw Landfill Site	<ul style="list-style-type: none"> • The site is currently unlicensed and is situated near the Wasbank River. It will be listed for closure and rehabilitation in terms of license; • Waste is covered through the use of shovels and it is not well compacted as there is no proper compaction equipment. This status quo has existed for quite some time and there continues to be no plant and equipment and the use of shovels for covering waste; • No permanent staff are appointed and only EPWP staff are utilized to work in this area; • Legislative compliance is lacking; and • Originally the EIA was expected to be completed by November 2017, and • New land has been established for the development of the landfill site facility. Accordingly, the EIA has been approved and the construction is required to resume during the 2020-2021 financial year;

Status of Landfill Sites (cont.)

LANDFILL SITE	STATUS QUO AND CONDITIONS
Barkly East Landfill Site	<ul style="list-style-type: none"> • The landfill site is now officially licensed; • There is no burning of waste in the site as the incinerator has collapsed but this is to legislative advantage; • No plant and equipment exist for cover and proper compaction; This remains as an issue of non-compliance (not covering or compacting waste appropriately); • The cells are currently under lining as required and the design and costing has been completed – with the process entering the final stages of completion; and • The weighbridge has been calibrated.
Rhodes Landfill Site	<ul style="list-style-type: none"> • Original applications were closed due to an objection received from the public; • A new site has been identified and the application has been launched with the department and the EIA process is expected to resume; • The landfill site is not licensed; • The site is operating ineffectively due to limited equipment; • The site is not managed according to the current legislative requirements; • Waste is covered but not properly compacted; • The site does not accept Hazardous Waste and Medical Waste; and • The EIA was expected to be completed during November 2017. The municipality has not received any information regarding the approved EIA as expected during November 2017.

NOTE:

- The Sterkspruit Waste Site has reached the end of its life cycle and the municipality is required to ensure that a new site is operational by June 2018. Under the current circumstances this is unlikely. Due to Sterkspruit unrest in May 2019 the project was delayed and progress made is far behind required targets. This may result in sanctions against the municipality due to non-compliance;
- Medical waste for the four (4) hospitals and fourteen (14) clinics is collected by a company called Compass Waste and this was organised by the Department of Health; and
- Environmental Health Practitioners are responsible for the control of waste management at clinics, being under the supervision of a Chief Environmental Health Practitioner. Monthly reports are received on Solid Waste Sites' but are mostly negative due to insufficient resources and SCM delays.

c. Waste Collection

- In all areas it must be noted that Waste Collection is successfully achieved, despite challenges relating to insufficient plant and staff;
- Currently challenges are experienced that relate to illegal dumping within all Senqu towns. It has been suggested as a solution that consideration be given to increasing the number of available law enforcement officers;
- The weighbridges are calibrated annually;
- It is noted that staff challenges exist in the operation of weighbridges in Barkly East and Lady Grey;
- Senqu Municipality currently has three (3) licensed landfill sites. More specifically:
 - Lady Grey and Barkly East are licensed as required in order to be able to operate; and
 - Sterkspruit have a closure license/permit;
- The following new sites are required to be developed:
 - Sterkspruit
 - Herschel
 - Rhodes
 - Rossouw

Specific challenges in terms of each of these sites are reflected as follows:

- Insufficient staff;
- Old and ageing vehicles;
- Inadequate plant and equipment with which to manage solid waste disposal sites in terms of legislation;
- Breakdown of vehicles (no mechanic available for maintenance);
- Non-compliance of legislation with the resulting consequences;
- The lack of recycling projects and related components; and
- Delays in terms of SWS lining projects, due to insufficient resources; and

Suffice is to note that generally, Solid Waste is not receiving the resources required, in order to meet Constitutional and legislative requirements.

The Constitution of the country places the responsibility on government to ensure that such services are progressively expanded to all, within the limits of the available resources. Municipal policy is progressively moving towards universal access to Waste Management.

Currently the municipality provides only waste collection services to the communities and private enterprises of:

- Lady Grey
- Barkly East
- Rhodes
- Sterkspruit
- Herschel
- Mokhesi and Tienbank (rural)

The estimated cost to extend waste services to the rural areas of Sterkspruit is very difficult as the method of service provision is required to be finalised and will require a phased-in approach, dependent on available resources.

With no waste collection taking place in the rural areas, illegal dumping as well as burning of waste is taking place and this represents a huge challenge for the municipality.

This problem further compounds the effect of contamination, pollution, damage to tourist assets and the environment.

Waste is collected weekly from households and twice or three times in a week from businesses within the areas of collection. Residential and most commercial waste is handled as “kerbside collection”.

Metric Tonnage collected per annum

- **Rural areas:**

The target was exceeded by 425.02 tons. A total of 957,02 tons of waste was collected in the Rural Areas. This occurred predominantly as a result of 3 different campaigns that were conducted in Tienbank and part of Tapoleng. All the fleet was sent to Sterkspruit for the cleaning campaign held August 2018.

- **Urban areas:**

The target was exceeded by 3076,73 tons and a total collection of 7196,73 tons occurred. This positive variance was due to the extensive buying power / shopping by communities over the festive season. Additionally, cleaning campaigns were conducted in various wards in preparation for the festive season. A National clean up week was also conducted in Rhodes, Barkly East, Lady Grey, Herschel and Sterkspruit surrounding villages.

d. Recycling

There are only a few informal recycling programmes currently running within Senqu Municipality, extracting less than 1% of the potential recyclable product.

A Recycling Plan will assist in many ways in order to ensure that the municipality would be in a position to explore the possibility of a waste diversion from landfill sites to recycling initiatives, thus ensuring a longer design horizon.

In the current year the only initiatives underway for waste avoidance were the awareness campaigns.

e. Integrated Waste Management Plan (IWMP)

- The IWMP has been reviewed internally and it was approved by Council.

Households served (as per IWMP 2017):

- 2 835 households in Barkly East;
- 510 in Herschel;
- 2 820 in Lady Grey;
- 144 in Rhodes;
- 100 in Rossouw; and
- 639 in Sterkspruit.

f. Waste Awareness

- Public awareness and education are an important factor in sustainable waste management. Waste awareness initiatives have been implemented through the use of internal funding.

Numerous Waste Awareness campaigns have been conducted and are detailed as follows:

- Waste awareness campaigns were conducted in ward 14 on 20 July 2018, in ward 16 on 27 August 2018 and ward 10 on 30 October 2018;
- Senqu Local Municipality together with Department of Environmental Affairs, organized a Thuma Mina programme that targeted awareness in all schools. This additional event contributed to the target being exceeded;
- Waste Awareness was conducted in ward 14 Transwilger Primary School on 29 August 2018; in the Rhodes Primary School, Rhodes Public School on 13 February 2019; in Barkly East DRC School 20 February 2019; in Tien Bank Primary School on 29 May 2019;

in Sterkspruit Senior Secondary School 16 April 2019 and at the Sterkspruit Community School 16 May 2019; and

- Waste Awareness was conducted in Ward 5 Rossouw Community, RDP houses & Orange Fontein on 29 November 2018; Nkululeko Community Ward 16 on 12 February; Rhodes Community Ward 15, 13 February 2019 and Ward 10 Zwelitsha on 04 June 2019. Limited budget remains a challenge; and
- In order to achieve sustainable waste management, it is imperative that the public become aware and educated regarding waste issues.

g. Waste Management By-Laws

Related By-laws are still under public review and have not been updated/developed and approved. There is no capacity for the policing of illegal dumping or the implementation of by-laws.

h. Staff challenges:

- Shortages of staff exist within this section, in Lady Grey, Rhodes and Herschel;
- No permanent staff have been employed in Rossouw in order to oversee waste management and landfill site management;
- In Sterkspruit, no permanent staff have been appointed for landfill management. This poses a high risk overall;
- There is no Operator/ Driver at Herschel and Rossouw;
- There is a shortage of an Operator/Driver at Rhodes as only one is available and this is a challenge on occasions where he is absent from the workplace; and
- The weigh bridges are functional but there are no staff to operate the Lady Grey Solid Waste Sites.

3.2.4 Financial Performance: Solid Waste Management Services

a. Financial Performance Year 2018/2019: Solid Waste Management Services

Financial Performance Year 2018/2019: Solid Waste Management Services					
R'000					
Details	2017/2018	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	36 287	35 494	35 494	38 990	-3 496
Expenditure					
Employees	11 888	11 954	11 724	10 722	-1 002
Repairs and Maintenance	580	787	681	689	8
Other	8 992	10 205	10 221	12 707	2 486
Total Operational Expenditure	21 460	22 979	22 626	24 118	1 492

b. Capital Projects: Solid Waste

Financial Performance Year 2018/2019: Solid Waste Management Services					
Municipal Areas					
R'000(Ex VAT)					
Capital Projects	2018/2019				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All	22 921	22 243	16 767	-5 476	97 775
Machinery and Equipment	500	50	0	-50	
Solid Waste Infrastructure	22 421	23 193	16 767	-6 426	97 775

3.3 HOUSING

3.3.1 Introduction to Housing

Up until five (5) years previously, Senqu Municipality was the developer for housing projects. This function was relocated and this ultimately became the responsibility of the Department of Human Settlements. Since this period, the Department has been the implementer of housing projects, services and the top structures. This was conducted through the Department of Human Settlement's own procurement procedures and service providers.

Notwithstanding, the municipality assists the department and this function by engaging in the following activities:

- Beneficiary identification and registration for RDP houses;
- Ensuring land availability;
- Assisting the Department of Human Settlements by assisting beneficiaries in filling out deeds of sale for the Department in order to transfer the properties to the beneficiaries through their appointed conveyancers;
- Assisting the Department with the establishment of a Housing Sector Plan (an attachment to the IDP). The municipality is currently using the 2013-2018 plan, which is now outdated and is required to be reviewed;
- In an attempt to realign municipal departments with the Treasury GFS functions under mSCOA, the housing function was not considered to be a municipal function and officials were transferred / re - allocated to posts within EPWP and LED. Notwithstanding, this has proved to be a misunderstanding of the regulations and the function of housing returned to Development and Town Planning Services during 2017/18 under Town Planning;
- The Housing Sector Plan for the municipality was re-adopted in order to accommodate changes to the identified needs of the community. This has now been revised in totality and after taking into account more detailed studies, this will now provide the municipality with a more realistic backlog total. The current total backlog is estimated at 26 775;
- It must be noted that the majority of Senqu households enjoy access to the RDP minimum levels of basic services in respect of housing - reflected as 95.16%. Notwithstanding, the IDP cites a housing backlog in Senqu Municipality of 10 761 with 1 752 in the urban area and 9009 in the rural area (Housing Sector Plan 2011);
- According to the results of surveys conducted by STATS SA, 2011 - 70 % of households live in formal dwellings and 68.5 % own their own dwelling;

- It must be noted that the Spatial Development Framework (SDF) has identified land in all towns for future housing developments. A land audit was conducted, and available land was identified for resale to the general public for individual residential development. This exercise is in accordance with the SCM Regulation of August 2014. This land audit has been undertaken by the Housing Unit and is considered to be 90% credible;
- To provide context, the Rhodes and Rossouw projects were approved in the 2010/11 financial year. To date only the Rossouw project has been completed. The first phase of the Rhodes Green Field Project is still awaiting EIA approval but construction in phases (an in-situ project - not requiring an EIA) is under construction. Of the eighty – seven (87) houses, seventy-eight (78) have been completed and fifty (50) handed over;
- It is noted that Land Invasion had caused delays to the Herschel Housing Project. More specifically, only five hundred and five (505) units of the original seven hundred (700) units have been constructed. The Council took the decision to reduce this project to five hundred and five (505) units and identify other land for a new project registration that would accommodate the shortfall. To date this has not yet been acknowledged by the department, despite correspondence and meetings. Local politicians were to meet with the Tugela Tribal authority in order to resolve the matter. This did not occur due to unrest in the Sterkspruit/Herschel area. In an effort to combat this Land Invasion Signboards were erected and layout plans developed for Lady Grey, Barkly East and Sterkspruit. These were tabled for approval in the July 2019 Council meeting;
- 992 houses have been completed. In Ward 9, 172 houses were completed and 56 houses were handed over out of the 539 units planned for the financial year.
- In Ward 10, 506 houses were completed and handed over.
- In Ward 17, 314 houses were completed and handed over.
- There is currently legal action being taken against land invasion, but legal matters are a costly and a drawn-out process. These processes have been underway for the last eight (8) years without success to date;
- A great challenge continues to be experienced regarding the fact that in many cases beneficiaries allocated to housing units become “lost” for various reasons and wrong erf allocations. This then results in the de-registration and registration of new applicants. The transfer of erven in order to achieve title deeds, depends on professional legal persons and in some cases this process occurs at a very slow rate;

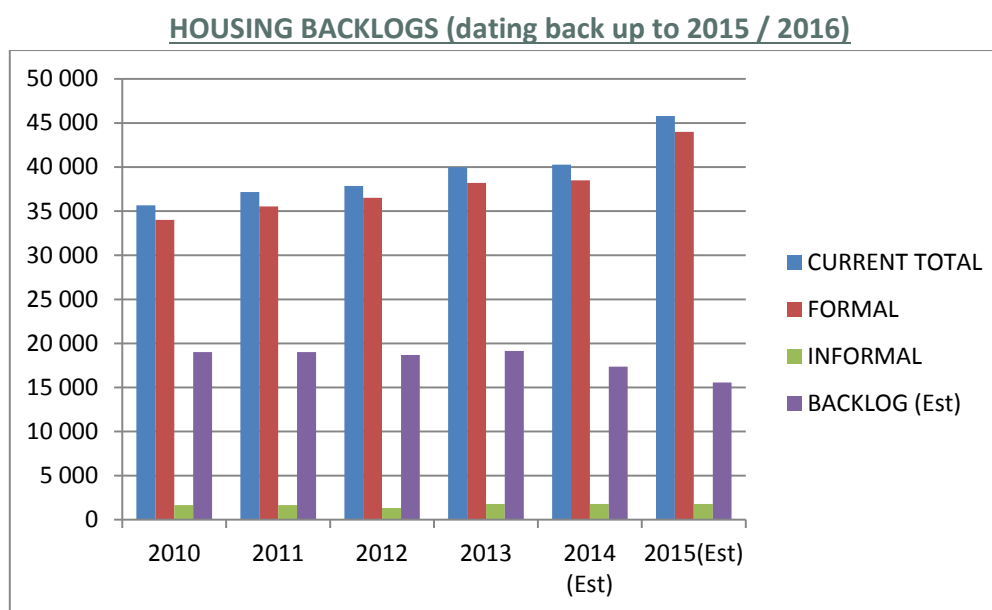
- There are currently insufficient resources to enable the municipality to become more efficient within this area of service delivery. In this regard the municipality took a decision that they would apply for accreditation to be able to complete the entire housing process in the future. This has not been resourced to date; and
- Illegal building within the Sterkspruit rural area is a challenge with limited capacity. Traditional leaders complicate land and building matters allowing adhoc building operations – placing severe strain on service delivery.

3.3.2 Access to Basic Housing

PERCENTAGE OF HOUSEHOLDS WITH ACCESS TO BASIC HOUSING 2016/2017			
Year end	Total households (including formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
Year -3	37 704	10 986	29%
Year -2	37 856	37 786	99%
Year-1	39 990	38 200	95%
Year 0	41 408	39 618	92.5%

It must be noted that the figures/statistics remain the same. This was due to the Housing Sector Plan not being reviewed since 2015 /2016. The housing division in that financial year was moved from Town Planning to IPED and the housing unit did not exist according to mSCOA. It was not considered to be a core function /municipal function. The Department of Human Settlements has further stopped assisting municipalities with their Housing Sector Plans.

3.3.3 Housing Backlogs (Historical data and contextual overview)



3.3.5 Housing Service Policy Objectives Taken from IDP

HOUSING SERVICE POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2015/2016		2016/2017			2017/2018	2018/2019	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(viii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objectives									
Provision for housing for all households	Additional houses provided during the year (Houses required at year end)	4000 additional houses (9 262 houses required)	4000 additional houses (9 262 houses required)	4000	4000		3 500 additional houses (5 762 houses required)	1359	708
Facilitate housing project(s)/ implementation	Evidence of facilitation efforts/reports / Database updated	12 x monthly reports	12 x monthly reports	12 x monthly reports	12 x monthly reports		12 x monthly reports	12 x monthly reports	12 x monthly reports
Ensure Housing Sector Plan adopted by Council	Council resolution of Housing Sector Plan	1	0	1	1		1	0	1

Note: As indicated, no Housing Sector Plan exists. During 2018/2019 despite a target of 1359 units only 949 were achieved. Monthly reporting occurs.

3.3.6 Table: Employee Statistics (Housing Services)

EMPLOYEES: HOUSING SERVICES					
Job Level	2017/18	2018/2019			
TASK SYSTEM	Employees No.	Posts No.	Employees No.	Vacancies (full time equivalents) No.	Vacancies (as a % of total posts)
0-3	0				
4-6	2	1	1	0	0
7-9	0				
10-12	2	1	1	0	0
13-15	1	1	1	0	0
16-18	0				
19-20	0				
Total	5	3	3	0	0

Note: No funded vacancies exist for the current year.

3.3.7 Comments on the Performance of the Housing Service Overall

- As already detailed, Senqu Municipality is no longer involved in the capital construction of housing projects but only assists in an administrative manner with regard to beneficiaries (considered as operational);
- The delivery of housing units is slow due to: poor communication and cooperation challenges experienced from the department of Human Settlements; late approval of the Housing Sector Plan (due to the Department of Human Settlement not yet having submitted); insufficient data to engage in informed planning and last but not least, the difficult and sometimes inaccessibility of sites in the rural areas in order to deliver materials and construct (due to poor road access, and intermittent water supply) which affects construction and increases project costs in general;
- The quality of workmanship is currently a concern as the municipality has no control thereof. This is reliant on the Department of Human Settlements which conducts the related quality control. The Hillside Project bears testimony to this in that: of the 998 units already built, 603 required rectification and the DHS is aware of this. This issue will be accommodated in the revised Housing Sector Plan. Clearly this question and raises extreme doubt regarding the construction quality. In this regard, it must be noted that the department is clearly aware of this situation, having been informed of this by the municipality;

- The municipality no longer has control of any housing capital projects. The operational budget variance was caused by poor performance on the part of service providers (conveyancers) in transferring the title deed to the beneficiaries. The municipality has removed all non-performing conveyancers and appointed new conveyancers to attend to the transfer of properties;
- There is an urgent need for middle and rental housing within the area and these applications have been submitted, however, the challenge still remain due to the limited availability of bulk infrastructure and land in Sterkspruit;
- The issue of disaster housing is gaining importance. Persons applying for emergency houses wait for long periods of time as the Department of Human Settlements waits until it reaches a minimum number of houses required in the area before it contracts a person to build them; and
- Housing staff were trained on the HSS system and the Housing Needs Register. It is hoped that this will decrease allegations of corruption as persons cannot be removed from the list or moved up or down - it is in essence a national list.

3.4 FREE BASIC SERVICES

3.4.1 Introduction to Free Basic Services (FBS) and Indigent Support

In terms of its powers and functions, the Joe Gqabi District Municipality is the Water Services Authority and is therefore responsible for the implementation of all water and sewerage services, including Free Basic Services (FBS). Senqu Municipality, in conjunction with Eskom, is responsible for **FBE (Free Basic Energy)** and **FBAE (Free Basic Alternative Energy)**. Currently there is a Service Level Agreement (SLA) in place with Eskom for FBE in the rural areas. This is based on technical data (20 A supply).

Senqu Municipality has both an Indigent and an FBE Policy in place. These cater for any household earning a combined income of no more than twice the official old age pension, which changes on an annual basis. This then entitles them to receive Free Basic Energy or Free Basic Alternative Energy. Free Basic Solid Waste Removal and **a full subsidy on property rates** is included for formally identified indigent households.

The indigent verification was done through CAAT system on 27 May 2019 and 5705 indigents were approved to receive the free basic service.

Households Receiving Free Basic Energy

REGISTERED HOUSEHOLDS (Eskom & Municipality)	Year 2014/2015	Year 2015/2016	Year 2016/17	Year 2017/18 (Estimated)	Year 2018/19
Free Basic Energy	12 523	12 523	12 523	12 523	12 530
Free Basic Alternative Energy	0	602	625	497	497

Free Basic Services to Low Income Households										
	Number of Households									
	Total	Households earning less than R2 920 per month								
			Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Total	Access	%	Access	%	Access	%	Access	%
Year -2	39 438	12 523	JGDM	-	JGDM	-	12 523	32%	Not available	-
Year -1	41 408	14 943	JGDM	-	JGDM	-	12 523	30.4%	2 420	5.83%
Year -0	41 453	15 113	JGDM	-	JGDM	-	12 523	30.22	2 590	6.25%

FINANCIAL PERFORMANCE YEAR 2018/2019: COST TO MUNICIPALITY OF FREE BASIC SERVICES DELIVERED R '000					
Services Delivered	Year 2017/2018	Year 2018/2019			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	-	-	-	-	-
Waste Water (Sanitation)	-	-	-	-	-
Electricity	4 645	7 318	7 519	6 834	-685
Waste Management (Solid Waste)	1 082	4 264	4 261	2 485	-1 776
Total	5 727	11 582	11 582	9 319	-

Note: Water and Sanitation are not Senqu functions but are the responsibility of Joe Gqabi District Municipality.

FREE BASIC SERVICE OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	2014/15		2015/16			2017/18	2017/18	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(viii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objectives									
Provision of alternative energy support to low income households that do not received free basic services	Low Income Households (LIH's) who do not receive all free basic services but do receive alternative support (total number of LIH's not in receipt of free basic services)	445 HHs	602 HHs receiving support	602 HHs receiving support	500 HHs	625 HHs	625 HHs receiving support	625 HHs receiving support)	625 HHs
Facilitate the provision to access to adequate basic Electricity: Free Basic Electricity of 50 Kwh	Report on number indigent households receiving free basic services / inclusive of expenditure	12 000	12 523	12 000	12 523	12 523	12 523	12 523	12 523

3.4.2 Comment on Free Basic Services and Indigent Support:

It must be noted that the Free Basic Services and Indigent Support Policies are revised annually, and Free Basic Services are paid for from the Equitable Share Grant as allocated under DORA.

- Joe Gqabi District Municipality is the Water Services Authority and deals with all aspects of water and sewerage services, while the Senqu Municipality Technical Services Department is now responsible for Solid Waste matters until 1 July 2017;
- The indigent verification was done through CAAT system on 27/05/2019 and 5705 were approved to receive the free basic service;
- In total 5 877 households have refuse removal services of which 1 552 is free basic refuse removal services;
- 27% household have access to free refuse removal, 72% household have access to refuse removal;
- The electricity consumption is difficult to calculate as some households require the FBE units every month while others only obtain these once every two (2) to three (3) months, and therefore consumers are calculated on households that are registered;
- There is currently only one (1) dedicated staff member for the FBS function. Notwithstanding it is the intention to employ an intern, with the possibility of long-term employment, to assist with FBS due to the magnitude of the service. The intention is to achieve a permanent FBS Unit within the next 3 years, budget dependent;
- In areas that will not be grid electrified, the municipality will be completing and submitting applications to the DoE for solar energy, after assessment of the need is complete;
- Applications have been submitted to the DoE for Solar Water Heaters for areas where criteria are met but no response has been received to date; and
- The FBS and FBAE are as of 1 July 2017 the mandate of the Finance Department.

3.4.3 Challenges Experienced (FBS and FBAE)

- Unreliable vehicle (2006 model)
- Delivery logistics
- Insufficient staff
- Insufficient data
- Insufficient political assistance
- Insufficient operational budget; and
- SCM turnaround time.

NOTE: The FBS section was moved from the Technical Services Department to the Financial Services Department as of 1 July 2017.

a. Budget vs Expenditure: Free Basic Services

	Year 2016/2017	Year 2017/2018	Year 2018/2019
Budget	11 818	10 943	11 582
Expenditure	9 499	5 727	9 319

NOTE: There is to be a concerted effort made to increase FBE in the new financial year.

COMPONENT B: ROAD TRANSPORT (ROADS, TRANSPORT AND WASTE WATER (STORMWATER DRAINAGE))

3.5 ROADS

3.5.1 Introduction to Roads

It is noted that Senqu Municipality is home to the largest and longest amount of unsurfaced main roads and access roads. More specifically it is noted that, following Gariep - Senqu Municipality has the second longest road length within this area.

The Transport Plan is completed by the Joe Gqabi District Municipality with input from all local municipalities. Roads forums are championed by the Department of Roads and Public Works (DRPW) but are seldom successful due to non-attendance of stakeholders and due to the insufficient availability of staff found within municipalities.

An analysis of our tarred roads has indicated as follows:

- the provincial trunk road (the R58) is in a barely usable condition and is maintained by SANRAL. Rock falls are often experienced in cuttings after heavy rainfalls and this impacts negatively on tourism (as the main point of entry to the municipality). In this regard, this needs to be treated as a provincial priority;
- The R 393 between Lady Grey and Sterkspruit is for the most part found to be in good condition, but there are sections that are failing. In these instances, there are an increased number of potholes that have occurred; and livestock found on the road are common place

as a result of having been stolen or due to poor/lack of fencing. This represents a danger to both animals and drivers; and

- The balance of the Musong Access Road was partly upgraded to asphalt – 7.2 km).

It is to be noted that business plans will be drawn up and submitted to the Department of Transport during the new financial year, for the interlock paved surfacing of the following roads, identified as top priority by Council: -

- Musong remainder: 9.2 km
- Holo Hlhatshi Dam road: 14 km
- Manxeba Road: 23.7 km; and
- Mlamli Road to R 393 (DR 08910) Junction: 35.8 km

In terms of Gravel/ Unsurfaced Roads it is fair to say that, despite maintenance by the DRPW, most of provincially maintained gravel roads have deteriorated significantly to a level where they need extensive re-gravelling and low-level bridges need repair or replacing. The DRPW is required to re-examine their strategy and to investigate ways in which a more sustainable road surface process (such as interlock paving) can be utilized. This is also required as it is noted that the quantity and quality of gravel is diminishing. Ultimately this will result in a situation where people will be unable to access goods and services or will be required to pay a high price for the transport of goods and persons, due to poor or impassable roads. This is compounded by extreme weather conditions such as flooding and snow. A number of roads aside from the above have been prioritised for re-gravelling and priority upgrading by the municipality through the DRPW.

3.5.2 Roads requiring urgent attention

- The R 396 from Barkly East to Rhodes as this leads to an important tourist destination;
- Access roads to the 7 gravel passes of Lundean's Neck, Jouberts, Otto du Plessis, Carlisle'shoek DR 03230, Volunteers (MN 20635), Bastervoetpad, and Naude'snek (R396). These passes incorporate three (3) of the highest passes in South Africa. In addition, the roads leading to Tiffindell Ski Resort must be attended to, noting that this is the only ski resort in South Africa;
- DR 393 to Lundean's Neck and Sterkspruit from Barkly East;
- Upgrade of DR 03214, DR 03221 and DR 3222;
- Access roads to hospitals and villages;
- Khiba DR 08526 Road;
- Coville DR 08510 Road;
- Mlamli DR 08606 Road;

- Herschel to Manxeba to Sterkspruit DR 08511 Road (Interlock paving/Asphalt surfacing);
- Road from Sterkspruit to Holo Hlahatsi Dam DR 08521/DR 08516 (previously Jozanashoek Dam) - Interlock paving / Asphalt surfacing;
- Herschel/Manxeba/Sterkspruit (interlock paving/asphalt surfacing; and
- Access Roads are required to be maintained by municipalities in terms of the Municipal Structures Act (although this is not financially viable for Senqu Municipality) - maintaining all roads as frequently as planned for optimal maintenance. The municipality inherited a backlog of maintenance of existing access roads as well as many villages which don't have access roads or internal roads. Taking this into account together with the acknowledgement of the small tax base and high levels of unemployment, it is observed that the municipality is heavily reliant upon MIG grant funding for construction and rehabilitation of roads infrastructure and the Equitable Share for the repair and maintenance of roads;
- In terms of Powers and Functions, Senqu Municipality is responsible for all access and municipal roads in its area. The balance of roads fall under the powers and functions of the Department of Roads and Public Works (DRPW) now known as the Department of Transport (DoT), as of 1 April 2018;
- During the 2018/2019 financial year a Roads Maintenance Plan was developed that contained specific roads maintenance targets that would be used to address prioritized maintenance needs. This approved Maintenance Plan applied to a total of 14 600m of roads in Wards: 1, 2, 3, 4, 5, 6, 7, 9, 11, 12, 14, 15 and 17; potholes in ward 8 (570) and 16 (1000) of Senqu Municipality and Maintenance of Stormwater Channels in Ward's 12 and 17. In terms of achievement of this plan, it must be noted that these targets were not fully achieved and delays in implementation of the plan occurred as a result of unforeseen circumstances that were beyond Senqu Local Municipalities control and which could not have been avoided. Periodic "shut downs" were experienced and occurred at times due to Community driven issues and additional challenges resulting from Eskom load shedding. Down time of plant and machinery also exacerbated the situation). More specifically, the periodic community driven "shut-Downs" and additional challenges of Eskom load shedding, down time of plant and machinery during September 2018 and again in March 2019 in both Lady Grey & Sterkspruit, resulted in a total of 11 weeks "lost time". Under these circumstances, the Roads Team was not able to reach the specific wards on planned dates/times as per the Roads Maintenance Plan. Notwithstanding the delays, efforts were made to make up for lost time and as a consequence of this, some of the planned milestones (Kilometres - Km's) were still achieved in certain wards during March 2019 and by the end of the year under review - 30 June 2019;

- As in previous years, the Municipality has engaged its municipal wards to identify and prioritize the access roads that required surfacing/paving;
- Streets within towns are the responsibility of the relevant local authority. Streets within townships in all the urban settlements are mostly in a reasonable state, however it is noted that Lady Grey and surrounding areas have been affected and hit in the past by weather extremes i.e. flooding and localized flooding and/or affected by severe drought conditions. In all instances these circumstances may lead to: impassable roads and poor access across the Senqu area during times of bad weather;
- The original RDP housing constructed in Kwezi Naledi has contributed to the original flooding challenge due to incorrect building practices (failure to build above the natural ground level) and it is noted that communities block storm water flow due to illegal access constructions and dumping of waste in storm water channels;
- Senqu Municipality does not have any entities responsible for rendering road maintenance services within the municipality. Capital projects are completed through the procurement of professional service providers and contractors and funded through the MIG programme and internal funding. Capital projects are identified through the IDP process, prioritised by the IDP & Budget Steering Committee and dependent on available funding. These priorities change periodically in order to suit the changing needs of the community. It must be noted that the weather patterns (heavy rain/snowfall) wreak havoc on the gravel roads and this will in turn lead to changes within the MTERF;
- As the quality and quantity of gravel is rapidly dwindling within the area, the use of gravel access roads is currently being phased out in favour of interlock paving, which is sustainable and has high job creation content. The adopted Roads Policy now incorporates the construction of sustainable roads as well as the provision of an on-going sustainable source of job creation for years to come. The innovative use of Polymers is being investigated and as of 2018/2019 all new gravel roads will be constructed utilising this binding system in order to extend the life of the gravel road and thus reduce maintenance cost. The same will be used on roads maintained once a higher level of maintenance is achieved. It is required that the municipality urgently look at capacitating the roads section and maintenance/rehabilitation of existing infrastructure;
- The Barkly East, Mokhesi, Zwelitswa, Ext 4, Lady Grey (inclusive of Khwezi, Steve Tswete) asphalt surfaced roads required urgent attention in terms of revitalisation, resurfacing and possible rehabilitation, failing which there is a real risk of having to downgrade these roads to Class 5 (gravel roads). The MIG infrastructure also needs to be prioritised for maintenance;

- Currently the municipality is in possession of its own roads team that was used in the construction, rehabilitation and maintenance projects until recently, when Council resolved that the team be used for maintenance purposes only. This has also been incorporated into the adopted Roads Policy. While this should have provided a boost to the current road infrastructure lifespan, it did not occur, due to the low-level maintenance strategy of Council. It must be emphasized that this is a short-term solution that requires a higher level of maintenance through capacitation within the roads section. It is further noted that the Senqu area is too large in order for the roads team to be considered efficient and the maintenance of municipal roads in urban areas is also dealt with by the roads team. Some roads require major maintenance and are required to be re-graveled. This then slows down the maintenance program, which in turn affects performance targets. This all occurs at the cost of time, which is contradictory to the Councils current strategy of attempting to reach all wards and their communities; and
- It is noted that each constructed/rehabilitated road will only be visited once every 2 to 3 years as there are insufficient plant and operators to do this more frequently and to ensure that this occurs at the proper level. This is an extremely inefficient option and plan, as each road needs to be maintained at least once per year and also following every heavy rainfall/snow. The cost of sufficient plant and staff to maintain the entire area will be high and therefore will need to be phased in, but should be considered as a high municipal priority. The replacement of existing plant also needs to be considered.

In reality, backlogs will in all likelihood increase again once existing roads find themselves severely impaired at the end of their life time. This will be due to the insufficient maintenance capability required to extend lifespans of the new roads. This has largely contributed to the Council policy of constructing more sustainable roads and creating jobs by the use of interlock paving systems.

Maintenance in urban areas takes longer than in rural areas due to greater existing infrastructure, road furniture and access ramps.

The cost of plant purchases is planned as a phased in approach over various financial years by the municipality (budget dependent). There is however a real need for more plant and operators in order to split the team into two sections in order to establish re-gravelling team and a light maintenance team. The need for Plant Operators within the area is also a critical issue as they represent a scarce skill and tend to prefer to work in the private sector as the benefit is greater. The municipality is continuously busy with an on-going training programme that results in all operators obtaining official "Operator Certificates".

The matter of powers and functions sometimes leads to a frustrated community as the access roads of the municipality are often in better condition than the provincial roads. This can be attributed to lack of integration in the maintenance programmes. Meetings have been held with the local DRPW office, but they also have resource issues.

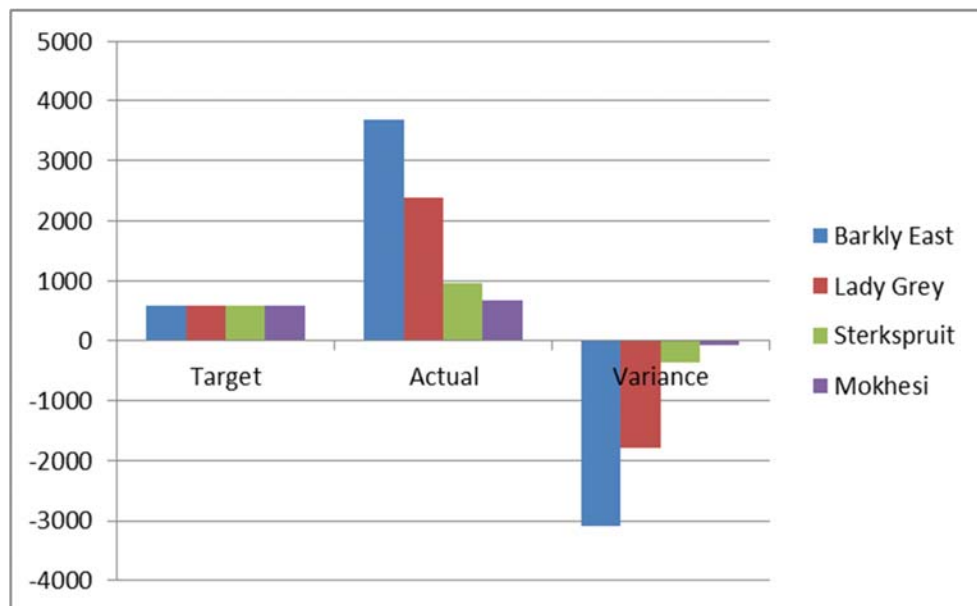
3.5.3 Pothole Repairs

During the current year the following pothole repairs were completed:

POTHOLE REPAIRS 2018/2019			
	Target	Actual	Variance
Barkly East	400	2545	-2 145
Lady Grey	400	2701	-2 301
Sterkspruit	400	3162	-2 762
Mokhesi	400	1711	-1 311

Note: Additional potholes were caused by heavy rain and further deteriorating road conditions.

a. Potholes 2018/2019



It

remains difficult to establish targets on pothole repairs as they may increase due to poor weather. The drought that has currently been experienced within the areas has reduced potholes as there is less moisture content, but with the heavy rain received, potholes also tend to increase almost overnight.

In Barkly East and Mokhesi the current asphalt roads are extremely bad and break up due to age, making pothole repairs almost impossible. In addition, as when they are repaired the existing road surface surrounding the repair work breaks up. These roads are in urgent need of rehabilitation or within a few years they will have to be converted back to standard gravel roads, increasing maintenance cost and time and decreasing sustainability.

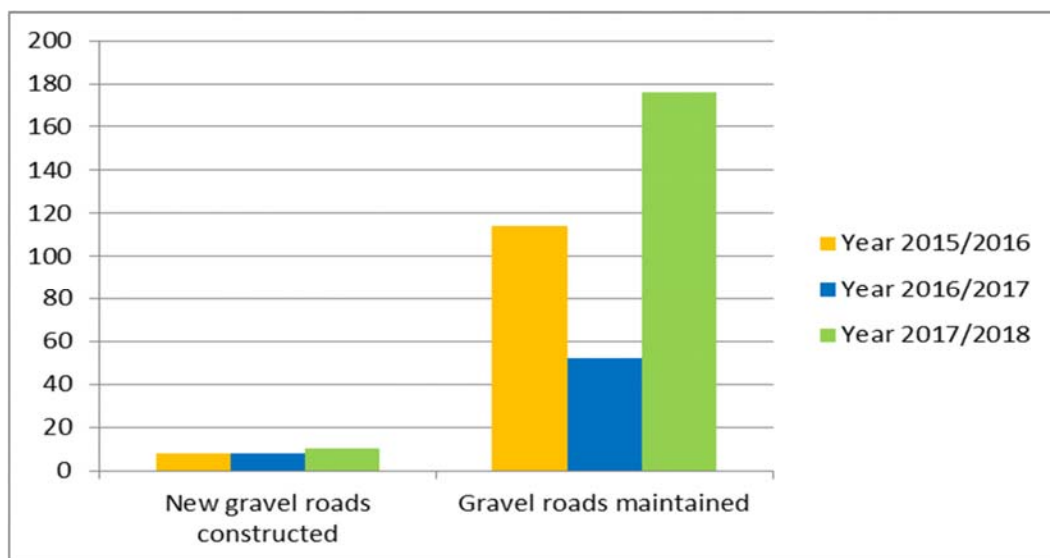
There are numerous bridges that are required to be replaced / renovated within the area, but these exist mainly on provincial roads for which the DRPW has insufficient budget.

3.5.4 Gravel Road Infrastructure

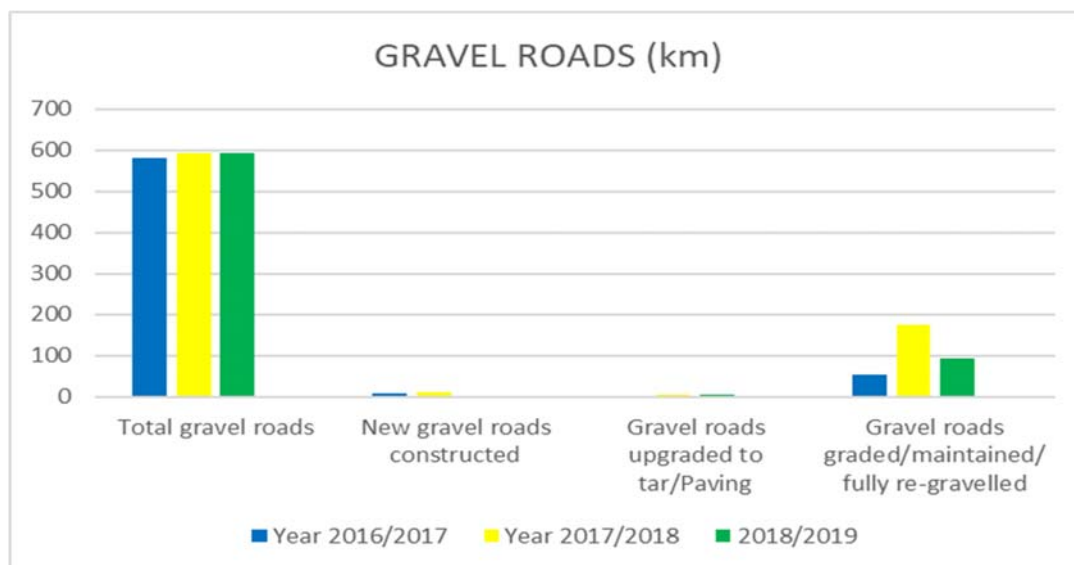
GRAVEL ROAD INFRASTRUCTURE				
				Kilometres
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar/Paving	Gravel roads graded/maintained/fully re-gravelled
Year 2015/2016	573	8	1.39	114.339
Year 2016/2017	581	8	0	52.050
Year 2017/2018	591.3	10.3	5.1	175.88
Year 2018/2019	593	2	4	93.57

NOTE: Only roads constructed by MIG and streets on the assets register were maintained as it is a condition of MIG to maintain infrastructure. There is insufficient capacity to maintain all roads within the area unless more resources are allocated in terms of plant and staff.

a. Gravel Roads Constructed, Upgraded And Graded/Maintained



b. Gravel Roads Maintained



c. Gravel Roads (Infrastructure and Maintenance)

TARRED ROAD INFRASTRUCTURE KILOMETRES					
	Total tarred roads	New tar roads constructed	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads-maintained Potholes Repaired
Year 2015/2016	15	0	0	0	5 964
Year 2016/2017	15	0	0	0	4 708
Year 2017/2018	15	0	0	0	7 748
Year 2018/2019	15	0	0	0	10 119

ACTUAL COST OF CONSTRUCTION/MAINTENANCE						
R'000						
	Gravel			Tar/ Paving		
	New	Gravel	Maintained	New	Tar/Paving	Maintained
Year 2015/2016	5 997	0	781	0	10 802	511
Year 2016/2017	1 200	0	766	0	22 178	1 193
Year 2017/2018	7 300	0	2 911	0	20 728	851
Year 2018/2019	1600	0	2127	0	5900	985

ROAD SERVICE OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators	Outline Service Targets	Year 2016/2017		Year 2017/2018			Year 2017/2018	Year 2018/19	
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(viii)	(viii)	(ix)	(x)
To upgrade and maintain current infrastructure: Internal Roads Team	Validation of km / report quantifying the number of kilometres/meters maintained/constructed internally	54 km	52.05 km	54 km	140.800 km	175.88km Exceeded by 35.08 km	140.8 km (target) Actual 175.88 km	14.6 km Based on first draft.	150 km
To upgrade and maintain current infrastructure: Pedestrian and Road Bridges	MIG Reports /consultant /contractor’s performance reporting. Pedestrian and Road Bridges constructed	2	0	2	0	0 – Under constructi on – Extension of time due to weather	2	2	0
To upgrade and construct new infrastructure: Access Roads (km)	MIG Reports /consultant /contractors performance reporting /validation of km / Report quantifying the number of kilometres/meters of access road constructed	9.2	8	9.2	13.1	10.3	10.3 km gravel road & 5.1 km upgrade to paving.	12.07	12

3.5.5 Employee Statistics (Roads Services)

Provided by Directorate of Technical Services

Please note that this information includes funded and unfunded vacant positions in terms of vacancies.

EMPLOYEES: ROADS SERVICES					
Job Level	Year 2017/2018	Year 2018/2019			
	Employees No.	Posts No.	Employees No.	Vacancies (full time equivalents) No.	Vacancies (as a % of total posts)
0-3					
4-6	3	20	20	0	0%
7-9	11	30	9	13	30.1%
10-12	1	0	1	1	0%
13-15	1	1	1	0	0%
16-18					
19-20					
Total	16	53	33	14	26.4%

Note: The number of employees has increased due to the adsorption of previous contract staff (job creation).

3.5.6 Financial Performance Year 2018/2019: Road Services

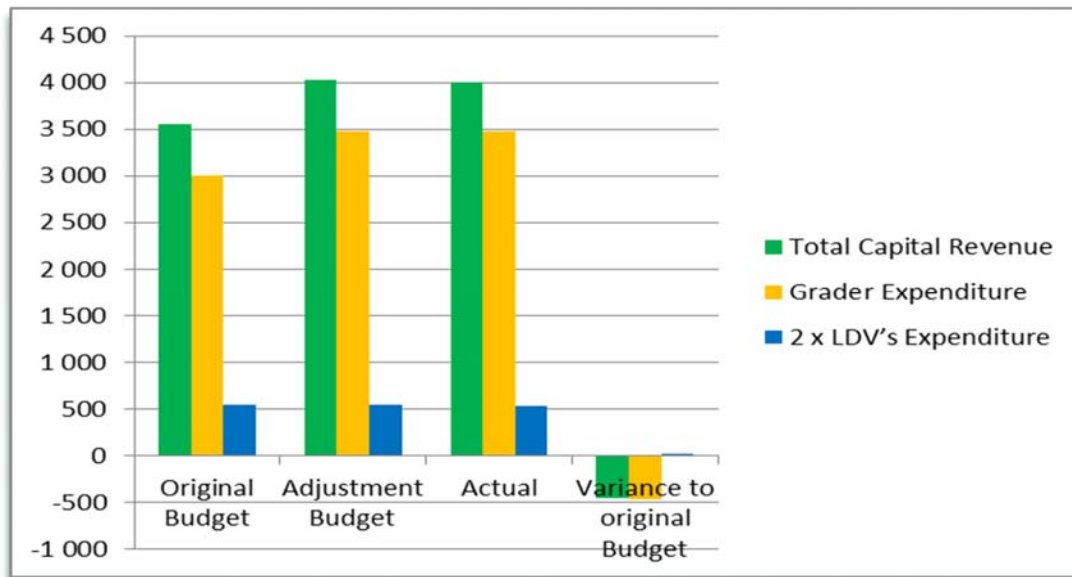
FINANCIAL PERFORMANCE YEAR 2018/2019: ROAD SERVICES					
R'000					
Details	Year 2016/2017	Year 2018/2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	31 375	20,957	18,533		
Expenditure					
Employees	4 483	5464	5529		
Repairs and Maintenance	2 785	2359	2459		
Other	9 836	13122	10543		
Total Operational Expenditure	17 104	20,957	18,533	18,742	-209

Details	Year 2018/2019			
	Original Budget	Adjustment Budget	Actual	Variance to original Budget
Total Capital Revenue				
Expenditure				
Grader	3'000 000	471 300	3471300	-471 300
2 x LDV's	600 000	0	536030	63,970

a. Table: Expenditure (Non-MIG)

Details	Year 2018/2019		
	Original Budget	Adjustment Budget	Actual Expenditure
Total Capital Revenue	-	-	-
Expenditure			
Barkly East Pavements	3,500,000.00	3,700,500.00	3 917 303
Construction of Speed bumps in Rhodes	200,000.00	150,000.00	-
Construction of speed control humps in Kwezi Naledi , Steve Tswete, Lady Grey & Transwilger	800,000.00	450,000.00	-
Tools & Equipment	30,000.00	20,000.00	-
Tienbank Property Access Construction	750,000.00	250,000.00	-
Construction of 6 km Access Roads with Storm Water control W2	550,000.00	425 000	355 350
Construction of 6 km Access Roads with Storm Water control W7	700,000.00	200,000.00	-

b. Expenditure (Non-MIG) – As per above



3.5.7 Comment on the Performance of Roads Overall

- Un-licensed borrow pits present an extreme compliance challenge in terms of legislation, usage by all and the fact that they are located mainly in tribal areas. This also results in access difficulties experienced by contractors due to the tribal authority/community interference;
- The quality and quantity of gravel available for roads construction is diminishing rapidly in the area and this results in over-haulage or crushing. This raises the costs of construction and maintenance. Accessibility to gravel requires roads to be constructed with borrow pits in order to procure gravel and this leads to further delays;
- The municipality is working according to a Roads Maintenance Plan and the targets set for the year were not met. This occurred as projects fell behind the scheduled timeframes /milestones and as result the annual target/s in terms of the Roads Maintenance plan could not be achieved. Delays generally were caused by unforeseen circumstances and circumstances beyond Senqu Local Municipalities control and could therefore not have been avoided. Delays were caused by periodic shut downs that were at times community driven and additional challenges relating to Eskom load shedding; down time of plant and machinery (as occurred during September 2018 and again in March 2019 in Lady Grey and Sterkspruit, and which resulted in a total of eleven (11) weeks "lost time". The Roads Team was not able to reach the specific wards on planned dates /times as per the Roads Maintenance Plan. Notwithstanding the delay's efforts were made to make up for lost time and as a consequence, some of the planned

milestones (Kilometres - Km's) were achieved in certain wards by the end of the year under review;

- In terms of other targets, it must be noted that in many instances the targets were able to be met. In those that were not, SCM and issues with the specification committee/adjudication committee were at times to blame for lack of appointment and/or unnecessary delays;
- As part of the ongoing maintenance programme, Council authorized the purchase of additional plant and equipment;
- Historically and for context it must be noted that the production of the roads team overall is negatively affected by staff arriving late on site due to the time it takes to get to site and leaving early in order to arrive home by 17H00 daily. This is being partially addressed by the payment of overtime, but is still insufficient to achieve full and required production;
- It is noted that the Supply Chain Management Regulations make it extremely difficult to repair plant within the rural areas;
- Applications were made to the Department of Roads and Public Works (DRPW) and approved for the amount of R 3 M for Labour Intensive Construction of paved sidewalks in Barkly East (Boyce Nondala) and counter-funded with R 500 000.00 for professional services within the 2018/2019 financial year;
- The municipality is urgently required to consider the increase of plant and staff for roads maintenance in order to meet its Constitutional and MIG mandate and to physically implement sufficient roads maintenance;
- Meetings have been held with the DRPW in order to integrate maintenance on all roads in the area and in order to obtain mutual assistance where possible. Due to insufficient resources and political priorities, this has not been proven to be successful;
- A Service Level Agreement was entered into with the national DRPW for the construction of Bailey Bridge within Senqu but this never materialised;
- The successful installation of Gabion Structures and Casting concrete slabs for 1 Pedestrian Bridge (target well achieved);
- The overall impact of the low-level maintenance strategy of Council has not been successful. A higher level of maintenance is required (full re-gravel and in sections, base repair as well). This will come at the cost of time as the roads team will need to be

operational for a longer period of time in the identified areas which will result in only 3 – 4 wards being addressed per year;

- There is currently no roads inspector to assess the road conditions and to initiate appropriate action;
- Road signage is a legal issue and is dealt with by the traffic department as the roads section does not have the capacity to erect or replace a sign;
- A prioritised, costed roads and storm water master plan is critically required in order for proper budgeting and planning to take place.
- The current ‘low level maintenance’ strategy was unsuccessful as almost all the roads have been found to require complete re-gravelling back to a 150mm wearing course and base repairs in places; and
- There is confusion within the community as to the difference between a “constructed road”, an “unconstructed road” and a “track” which all have different needs and costs. This results in high expectations from the roads section which cannot meet the expectations of the community;

3.6 TRANSPORT (MOTOR VEHICLE LICENSING)

3.6.1 Introduction to Motor Vehicle Licencing

- a. Road worthy and Licencing Services are provided at the Traffic Testing Station in Barkly East and Sterkspruit. The office at Sterkspruit is not yet fully operational and an investigation of the feasibility of constructing and operating a Sterkspruit Licencing Centre is underway;
- b. The Grade A Traffic Test Station is located in Barkly East. This testing station is the central point at which the functions of: road worthy of vehicles, driver’s license testing and learners license testing occurs; and
- c. This NATIS motor vehicle registration facility service is also rendered by Council on an agency basis for the Department of Transport in Lady Grey, Sterkspruit and Barkly East.

3.6.2.1 Traffic Section Objectives

- a. Provision of facilities for the licensing of motor vehicles within existing centres;
- b. Maintenance and utilization of the National Traffic Information System (Natis) on behalf of the Department of Transport;
- c. Establishment and operation of a fully compliant Motor Vehicle Registration and Licensing facility within Sterkspruit, sanctioned by Department of Transport. This centre is intended to provide driver testing and plans are in place to develop the DLTC in Sterkspruit. While the anticipated progress has not been made within the current financial year, it was established that the budget for the project would need to be increased in the 2019/2020 financial year and it was agreed that this project would now be implemented as a multi-year project; and
- d. Continuous updating and training of staff on the operation of the Natis System occurs.

3.6.3 Traffic and Licensing Statistics

LICENCING REVENUE	ACTUAL REVENUE	BUDGET	ACTUAL REVENUE	BUDGET	ACTUAL REVENUE
	2016 - 2017	2017 - 2018	2017 - 2018	2018 - 2019	2018 - 2019
Traffic Fines	117 389	12 000	129 550	17 720	44 850
Duplicate Permits & Registration	46 495	58 300	61 796	63798	63652
Commission on M/V Registration & Prodiba Driver Licence Renew	1 482 456	795 000	1 236 844	1 187200	1 053 937
Learner's Drivers Licence	170 150	175 000	251 874	185 500	202 845
Drivers Licences	880 110	820 000	979 086	318 000	-73 875
Prodiba Driver Licence Renew	-	-	-		
Roadworthy; licences & permit	21 992	10 000	6 071	10600	459
Total	2 718 592	1 870 300	2 665 221	1 782 818	1 291 868

Traffic Operational Statistics 2018/2019

TRAFFIC OPERATIONAL STATISTICS 2018/2019	
Vehicle Registration : Numbers Registered	797
Vehicles Licensed	10710
Learners Licence:Applicants tested	635
Drivers Licence: Applicants tested	2558
Roadworthy of vehicles: Vehicles tested	0
Road Offence Tickets Issued (Traffic Fines)	63

3.6.4 Comment on the performance of Vehicle Licensing Overall

- a. Regular reporting on the licensing, testing and roadworthy of vehicles was provided as required;
- b. No vehicles were tested for Roadworthiness in 2018/2019. The roadworthy testing system has not been functional since the last financial year. To this end it must be noted that cameras will be installed in the roadworthy facility during the 2019/2020 financial year in order to make it compliant for vehicle testing.

3.7 WASTEWATER (STORMWATER DRAINAGE)

3.7.1 Introduction to Storm Water Drainage

Senqu Municipality does not use entities to maintain storm water systems within the area. When required, capital construction is outsourced through the procurement policy for the services of a consultant and contractor and these projects are funded through the MIG programme. Due to the implementation of mSCOA, the cleaning of storm water drainage was moved from the Technical Services Department to the Community Services Department, although any maintenance construction remained within the Technical Services Department.

The on-going cleanliness of the storm water system is conducted through the job creation programme as there are no designated permanent staff appointed to the storm water function.

Generally, storm water is part of a roads project but in terms of construction, the unbundling is separated, in terms of mSCOA capex requirements, depicting roads and storm water separately.

Historically there are storm water control issues throughout all the areas of Senqu, including the indigent and rural areas. The rural challenges have been caused by uncontrolled

development, as tribal authorities allocate land at will and then demand services. In reality, the municipality does not have the capacity to deal with these matters.

Indigent (RDP projects) have challenges in that the roads and storm water infrastructures are poorly constructed due to budget constraints on project funding which then compounds and leads to critical issues at a later date. It is noted that people also interfere with their own constructions which then compounds the problems of blockages. In Lady Grey, Barkly East and Herschel, grey water is problematic in that it is required to be discharged into the storm water system, as there are no other options for managing this.

3.7.2 Stormwater Policy Objectives

STORMWATER POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators	Outline Service Targets	Year 2015/2016		Year 2016/2017			Year 2017/2018	Year 2018/2019	
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(viii)	(viii)	(ix)	(x)
Service Objectives									
Storm water maintenance	Cleaning of storm water channels	200	679.8687	200	200	559,883	N/A No Target for 2017/2018	Appointment of PSP for Roads & storm water master plan	N/A

3.7.3 Overall comments on the performance of storm water drainage:

- The storm water capital programme is being dealt with on an on-going basis, as part of the roads programme and is dependent on resources, although there have been dedicated projects in the past. These capital projects are now implemented by the Department of Development and Town Planning Services;
- The job creation programme is used for cleaning existing systems on an on-going basis;
- Storm water infrastructure physical repairs are dealt with by the road's maintenance team and cleansing within the job creation programme, under the supervision of the Community Services Department. The lack of capacity and attempts to reduce costs have resulted in the roads and storm water function being considered to be an operational priority (with the exception of cleaning). There is a dedicated storm water section reflected in the organogram but there are insufficient resources for a storm water section;
- There are very serious storm water issues experienced within all of the villages (86 in total) and within the Kwezi Naledi and Nkululeko townships. Rossouw experiences the greatest problems as there is insufficient roads & storm water infrastructure and the cost of creating this will be extremely high compared to its benefit. As there is no town planning (historically) it is extremely difficult to control storm water, aside from the cost;
- Sterkspruit has mostly been dealt with although a few areas still require attention. These are slowly being addressed under the road's construction programme of the municipality. Realistically it will take years and an exorbitant amount of funding to address these challenges throughout the Senqu area. This on its own remains a further motivation for sustainable roads and storm water systems. In short, gravel does not work and is compounded by the lack of capacity for maintenance;
- During the current year successful construction of 3.34 km of stormwater channels in Ward 10 was well achieved and so too the maintenance of stormwater channels in Wards 12 and 17;
- It is noted that there is no dedicated Storm Water Department; and
- There is no Storm Water Master Plan.

COMPONENT C: PLANNING AND DEVELOPMENT (PLANNING AND LOCAL ECONOMIC DEVELOPMENT)

3.8 PLANNING AND DEVELOPMENT

3.8.1 Introduction to Planning and Development

There is insufficient capacity (human and financial) within the Housing Unit to achieve accreditation at this point. In terms of mSCOA, the municipality will no longer be directly involved in housing, as it is no longer a core function. As a result, the staff employed within this unit have been absorbed within the Development and Town Planning Directorate.

The Spatial Development Framework (SDF) represented a shared responsibility between the IDP unit and the Town Planning unit. Despite efforts to staff this unit there have been limited dedicated resources for the SDF over the past few years. In an effort to alleviate this challenge, a service provider has been appointed in order to assist the municipality to review the SDF and Land Use Scheme, in terms of SPLUMA (Spatial Planning and Land Use Management Act). The SDF has been finalised and was adopted by Council on the 31st of March 2017. The SPLUMA Bylaws were adopted by Council and promulgated in the government gazette on 13 June 2016.

The municipality has also developed a wall-to-wall land use scheme that is compliant with SPLUMA. The Land Use Scheme (LUS) was adopted by Council on the 31st of March 2017. This is a requirement in terms of the Spatial Planning and Land Use Management Act 16 of 2013. The objective of this project is to have uniform town planning regulations for the entire municipal area that will also accommodate the needs of the rural community. This project commenced during the second quarter of this financial year and has also been finalised and is awaiting Council adoption. This tool will enable development to occur in a controlled manner and will assist in enforcing the principles of the Spatial Development Framework. Notwithstanding, challenges will still be faced as there is currently only (1) one Building Control Officer for the entire municipality.

Senqu Municipality comprises a large rural environment consisting of mountainous areas, 86 villages and the towns of Barkly East, Sterkspruit and Lady Grey as well as the hamlets of Rhodes, Rossouw and Herschel. This makes prioritised planning difficult as politically and realistically, not all parties within these areas can be fully accommodated on all levels of need.

Land invasion remains a large concern for the municipality. The Building Control unit attends to land invasion matters on a weekly basis and when an emergency arises. They issue contravention notices to the invaders and give them time to comply. Regular site visits are conducted during this time and when the invaders do not comply, matters are then forwarded to the attorneys of the municipality.

During this financial year the municipality has also developed a land invasion strategy that will guide the municipality in dealing with land invasion and also allow for proactive planning and precautionary measures to reduce land invasion. From the strategy, Land Invasion Signboards were required to be erected and layout plans developed for Lady Grey, Barkly East and Sterkspruit. Council approval was required to be obtained by 30 June 2019 and this was achieved.

This unit also attends to Town Planning and the National Building Regulations contraventions in order to ensure that the development occurs in a harmonious manner that will promote health, safety, social cohesion and economic development for the communities.

This section is also involved in facilitating the implementation of Housing Development in Senqu by the Provincial Department of Human Settlements. Accordingly, this section reports monthly on the number of houses already built. More specifically, 992 houses were completed overall. In Ward 9: 172 houses were completed and 56 houses were handed over out of the 539 units planned for the financial year. In Ward 10: 506 houses were completed and handed over, and in Ward 17: 314 houses were completed and handed over.

The challenge that the unit faces with attending to land invasion, town planning and building control is the insufficient staff, the lack of knowledge of procedures and legislation from the public and the fact that sheriffs at times do not execute the court orders to evict the illegal occupants because they are threatened by the illegal occupants and they get no assistance from SAPS.

Senqu Municipality has further been able to develop a Land Use Management System that is compliant with SPLUMA and business processes for the division. Policies are being developed for the division that will assist in operational requirements. Currently the division has one policy for the both **town planning and building control**.

Physical planning needs are based primarily on community needs which are prioritized by the IDP and Budget Steering Committee, taking all resources into account. The Technical Services Directorate is involved in the implementation of all infrastructure capital projects, although some are reported on by other departments (e.g. solid waste sites) depending where the responsibility lies. These projects are managed by the Project Management Unit (PMU) of the municipality, including implementation planning, time frames, budget and the like.

3.8.2 Building Plans 2017/2018 and 2018/2019

Category	Number of new applications received 30 June 2018	Total value of applications received 30 June 2018 Rand	Applications outstanding 30 June 2018	Number of new applications received June 2019	Total value of applications received 30 June 2019 Rand	Number of new applications received 30 June 2019
Residential new	3	780,000	0	0	780,000	None
Residential additions	24	2802,000	4	10	2802,000	None
Commercial	3	880,000	0	6	880,000	None
Industrial	0	0	0	0	0	None
Other (specify)	1 (church) 1 Govt. offices (SASSA) 13 Cellular mast	240,000 490,000 1300,000	0	8 Cellular mast/s 1 School	8747.04 5242.80	None None

3.8.3 Town Planning Applications 2018/2019

Applications outstanding 1 July 2018	Category	Number of new applications received July 2018	Applications outstanding 30 June 2019
1	Rezoning	1	0
0	Consolidation	1	0
0	Sub Division	4	1

3.8.4

Planning Policy Objectives Taken From IDP

PLANNING POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	Year 2014/2015		2015/2016			Year 2016/2019		
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (iii)	(iv)	*Previou s Year (iii)	2016/ 2017	2017/ 2018	2018/ 2019
Service Objectives									
Construction of access roads	Construction of 200 km of access roads	9.5	32	9.5	33	25	10	10	12
Construction of river crossings	Construction of 2 river crossings	2	2	2	2	0	2	2	1
Renovation and construction of municipal property	Renovation of offices, mayoral residence & construction of Fleet Bay	100%	100%	100%	100%	100%	100%	100%	100%
Sterkspruit Taxi rank	Completion of construction (multiyear)	100%	100% (1 x Taxi Rank)	80%			-	-	-
Construction of houses	1302 low cost units in Barkly East, Lady Grey, Rhodes & Rossouw.	300	1418	69.25%	0%	0%	4000	3500	3500
Reduce electricity losses	To be at acceptable limits (15% or lower)	18%	12.95%	16%	15%	15.03%	15%	14%	14%

3.8.5 Capital Investment Programme

The capital project investment programme is run and managed by the PMU Unit which has been re-located to the Technical Services Department as of the 1 July 2017.

3.8.6 PMU Employee Statistics

Table: Employee Statistics (Planning Services)

EMPLOYEES: PLANNING SERVICES (MIG PMU)					
Job Level TASK	Year 2017/2018	Year 2018/2019			
	Employees No	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0-3					
4-6	0	0			
7-9	1	1	1		
10-12	2	2	2	2	50
13-15					
16-18	1	1	1		
19-20					
Total	4	4	4	2	50

Note: No funded vacant positions for this financial year.

An annual PMU Business Plan is submitted annually to COGTA for approval of the budget for the PMU unit.

A total MIG allocation of R 39 115 000.00 was received for the 2018/2019 Financial Year and 5% of the allocation went to the PMU, for operational costs, to a value of R 1 955 750.00, as approved by COGTA.

All projects form part of the Integrated Development Plan.

3.8.7 Financial Performance (MIG Project Management Unit)

FINANCIAL PERFORMANCE YEAR 2018/2019: MIG PROJECT MANAGEMENT UNIT					
R'000					
Details	Year 2017/ 2018	Year 2018/2019			
	Actual	Original Budget	Budget Adjustment	Variance Original Budget	Actual
Total Operational Revenue	1 978	1 032	1 635	603	1 635
Expenditure (Total MIG UNIT)	1 978	1 032	1 635	603	1 635
Total Operational Expenditure	1 978	1 032	1 635	603	1 635
Net Operational Expenditure	1 978	1 032	1 635	603	1 635

3.8.8 Comment on the Performance of Physical Planning Overall

In terms of Land Use and Town Planning issues experienced by the municipality, it must be noted that there is only one dedicated planner. The organogram is in process of being reviewed and this will be completed by March 2017. This will take into account the new SPLUMA Regulations and Scopa. It is the intention that at this time the Town Planning and PMU units will be adequately capacitated.

3.8.9 Challenges and improvements influencing projects

CHALLENGES		IMPROVEMENTS
Department Water & Sanitation not assisting timeously on EIA	1	Successful meetings held with the DWS and DEDEA
Objections during public EIA participation processes delaying implementation of projects	2	Objections can be over-ruled dependent on circumstances
Community resistance / Land matters in community lands	3	Politicians aware of the resistance
Poor performance of service providers	4	Successful meetings held with Service Providers to improve performance
PMU under capacitated	5	Council and management are aware of the under-capacity and intend to resolve in the new financial year
Non-responsive tenders requiring re-advertisement	6	CIDB and SCM are attempting to workshop contractors
Eskom infrastructure issues and poor communication	7	Issues raised
Budget estimates not always correct	8	The implementation of mSCOA is there to assist and to resolve
SCM Regulations oblige appointment of Service Provider with highest points	9	There is allowance in the regulations for SCM to investigate further service provider for appropriate appointments
Non-appointment of contractors due to funding shortages and pending confirmation leads to delays	10	The DAC meetings sit monthly
Project savings remain uncommitted and therefore contribute to uncommitted funds	11	NT will be requested that no funding be removed as all will be used in the new year with projects currently out for tender
Difficulty in start timing of multi-year projects due to budget	12	Unfortunately, this cannot be changed with exception of loans
End user departments not fully co-operating during project implementation stage	13	
There is grey area on functions between SCM & PMU from tender advertisement to tender award period	14	

3.8.10 The current financial year - MIG Project Detail 2018/2019

PROJECT TYPE	MUNICIPAL ADJUSTMENT BUDGET (2018/2019)	ACTUAL EXPENDITURE (2018/2019)	CURRENT YEAR ROLLOVER /COMMITMENT (MUNICIPAL)	FUNDING STATUS	PROJECT STATUS
Roads					
Tienbank Paved Roads	4 170 000	2 343 675	-	MIG	Registered
Bridge Ward 5	887 000	715 145	-	MIG	Registered
Herschel Paved Roads	770 000	269 628	-	MIG	Registered
Roads between Esilindini and Frans	2 000 000	1 395 008	-	MIG	Registered
Boysi Nondala Paved Roads	13 868 000	13 727 552	-	MIG	Registered
Construction of 6 km Access Roads with Storm Water control W1	2 000 000	859 350	-	MIG	Registered
Construction of 6 km Access Roads with Storm Water control W2	354 000	309 000	-	MIG	Registered
Community Assets					
Community Hall - Ward 9	159 000	208 358	-	MIG	Registered
Construction of New Cemetery in Barkly East	300 000	182 856	-	MIG	Registered
Construction of Lady Grey Animal Pound	5 000 000	3 718 426	-	MIG	Registered

The current financial year - MIG Project Detail 2018/2019 (cont.)

Solid Waste Sites					
Upgrade BE Solid Waste Site	9 032 000	10 035 584	-	MIG	Not Registered
Upgrade LG Solid Waste Site	4 148 000	1 281 678	-	MIG	Not Registered
Old Sterkspruit SWS Compliance & Rehabilitation Construction	1 340 250	4 851 208	-	MIG	Not Registered
Other					
Upgrade Second Floor Building	1 500 000	3 642 990	-	MIG	Registered
TOTAL	45 528 250	43 540 458			

3.8.11 MIG Project Detail 2017/2018 (Previous Financial Year)

PROJECT TYPE	MUNICIPAL ADJUSTMENT BUDGET (2017/2018)	ACTUAL EXPENDITURE 2017/2018	CURRENT YEAR ROLLOVER /COMMITMENT (MUNICIPAL)	FUNDING STATUS	PROJECT STATUS
Roads					
Construction of Paved Roads in Wards 11: Herschel	8 589	5 665	-	Funding Committed	Procurement for consultant
Construction of Paved Roads in Wards 10: Tienbank	13 589	5 856	-	Funding Committed	Procurement for consultant
Construction of Access Roads in Ward 18 - Esilindini	--	3774	-	Funding Committed	Procurement for consultant
Construction of Access Roads in Ward 17 - Sunduza & Joveleni	--	3799	-	Funding Committed	Procurement for consultant
Construction of Access Roads in Wards 3: Erka, Qhoboshane, Hohobeng & Other	600	843		Funding Committed	Complete
Construction of Access Roads in Wards 4: Boomplaas, Mkunyo	600	170	-	Funding Committed	Complete
Sportfields					
Renovation of the Sport Facilities in Barkly East	80	250	-	Funding committed	Complete
Construction of Sportfields in Ward 2 - Upgrading of Sportfield in Kwa - Gcina	4 000	3 648		Funding committed	Procurement for consultant
Construction of Sportfields in Ward 13 - Upgrading of Sportsfield in Naledi	3 000	3 761	--	Funding committed	Procurement for consultant
Halls					
Construction of new Community Hall in Ward 9	--	1 248	-	Funding committed	Procurement for consultant
Construction of new Community Hall in Ward 12	--	158	-	Funding committed	Complete
Construction of new Community Hall in Ward 18	--	82	-	Funding committed	Complete

MIG Project Detail 2017/2018 (cont.)

PROJECT TYPE	MUNICIPAL ADJUSTMENT BUDGET (2017/2018)	ACTUAL EXPENDITURE 2017/2018	CURRENT YEAR ROLLOVER /COMMITMEN T (MUNICIPAL)	FUNDING STATUS	PROJECT STATUS
Solid Waste Sites					
Construction of Herschel Solid Waste Site - Ward 11			-	Funding committed	Procurement for consultant.
Construction of Rhodes Solid Waste Site - Ward 16			-	Funding committed	Procurement for consultant.
Construction of Rossouw Solid Waste Site - Ward 15			-	Funding committed	Procurement for consultant.
Street Lights					
Barkly East Street lights			-	Funding committed	Complete
Lady Grey Street lights				Funding committed	Complete
Planning Projects					
Planning Project for EIA application for Pedestrian Bridge in Ward 5 - Bebeza			-	Funding committed	Procurement for consultant.
Construction					
Construction of Hawker Stalls in Ward 10 - Sterkspruit			-	Funding committed	Complete
Construction of Lady Grey Animal Pound	--		-	Funding committed	Complete
GENERAL EXPENDITURE					
PMU (5%)			--		Ongoing
TOTAL					

As Senqu Municipality is essentially a rural area, under tribal administration (with the exception of commercial farms and urban areas), it is extremely challenging to control land use and building control in the rural areas.

During this period, it is noted that:

- Council approves Town Planning matters only and not the Building Plans;
- An updated Building Register was kept;
- An updated Town Planning Register was kept;
- Town Planning submissions were received and processed as required;
- An increased number of Building Plans were received and processed (for domestic and business/commercial use); and
- Land Invasions continue to present a challenge and are dealt with via legal counsel as required.

3.9 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

3.9.1 Introduction to Economic Development

The strategic direction of Senqu Municipality is informed by the Integrated Development Plan (IDP (2017-2022) and within this it's 5-year Local Economic Development Strategy (LED Strategy). The strategy was reviewed during the 2017-2018 financial year but not adopted, as Councillors requested to be workshopped on the strategy. This workshop was postponed on two occasions but was eventually held 24th May 2018. As a direct result, this strategy was eventually adopted 23 August 2018.

3.9.2 Objectives of the five (5) year LED strategy

- Improving urban infrastructure in order to attract investments;
- Developing partnerships between the public sector and the private sector in order to encourage investment and skills development within this area;
- Improving youth entrepreneurship and participation within the mainstream economy;
- Building strong and sustainable LED institutions and resources;
- Ensuring that 30 % of all infrastructure projects benefit SMME's; and
- Alleviating unemployment by utilising labour-intensive programmes and projects such as CWP and EPWP.

Taking these targets into account, the following figures are noted as read together with the 2017 targets (as reflected within the IDP):

3.9.3 LED Strategy Development Thrusts

The Senqu LED Strategy (2013) has 5 integrated LED development thrusts and priorities (strategic focus areas) as depicted within the diagram below:



a. **Development Thrust 1: Locality Development**

The Locality Development Programme will be focused on achieving the following outcomes:

- Making the municipal area more attractive to investors, tourists and individuals; and
- Improving the physical and environmental appeal of the area;

b. **Development Thrust 2: Enterprise Development**

The Enterprise Development Programme focuses on:

- Creating a conducive environment for existing, new and start-up businesses;
- Improve profitability, competitiveness and sustainability of locally-based enterprises; and

- Prioritising the development of key growth and employment sectors e.g. Agriculture, Tourism and the Green Economy;

c. Development Thrust 3: Sustainable Livelihoods

The purpose of the sustainable livelihoods programme is to:

- Facilitate labour intensive projects that create employment opportunities.

d. Development Thrust 4: Skills Development

The purpose of the skills development priority is to:

- Build the necessary skills base for economic growth and development;
- Improve employability and active economic participation; and
- Support key growth and employment sectors.

e. Development Thrust 5: Institutional Development

LED institutional development in Senqu is designed to:

- Foster sustainable partnerships with key and relevant stakeholders; and
- Improve monitoring and evaluation of LED projects and initiatives.

3.9.4 Economic Indicators (as reflected in the IDP)

- Senqu **local economy** generates around one quarter (25.7%) of total District GVA. This is the second largest contribution after Elundini (39.0%);
- From 2000 to 2010, the local economy has grown at an average rate of 3.0% pa. The District and provincial economies have averaged 5.6% pa and 3.2% per annum, respectively, over the same period; and
- **Total formal employment** within the District sees Senqu Municipality making a relatively higher contribution of 27.9% (i.e. ranking second to Elundini (36.7%).

3.9.5 Economic Growth, Structure and Sectors

- It is noted that of the GDP of R 3.07 billion in 2016 (up from R 1.16 billion in 2006), Senqu contributed 29.42% to the Joe Gqabi District Municipality GDP;
- Annual growth is forecast at 2.13% pa from 2016 to 2021. This is higher than JGDM and SA whose annual growth is 1,61%;
- In 2016 the community services sector represented the largest sector within Senqu Municipality and accounted for 1.23 billion or 44.2 % of the total GVA. The sector that contributed the second most to the GVA is the trade sector at 19.4 %, followed by the finance sector with 12.4 %. The sector that contributed the least was the mining sector with 7.08 million or 0.25 % of the GVA (Ecsecc,2017:26);
- During 2006 the unemployment rate was 28.3% which decreased to 27.1% in 2016;
- The poverty gap rate in Senqu Local Municipality amounted to 30.0%. This represented a decrease from 2006 at 32,5 %;
- Overall the economy is at risk because it has become over reliant on certain sectors;
- The majority of employment is to be found within community services; and
- There is a low skill level with only 69.33% of the population being functionally literate, although this has improved from the level of 58,3 % in 2006.

3.9.6 Comparative and Competitive Advantages

a. **Basic Services and Infrastructure**

The local municipality performs above District average in respect of access to all **basic services** excluding refuse removal. The majority of Senqu households enjoy access to the RDP minimum levels of basic services in respect of housing, energy, and sanitation. In Senqu's favour is the considerable allocation of the local government equitable share;

b. **LED Support System**

The Senqu Municipality has a dedicated LED Unit located within its planning department. This Unit is responsible for coordination and facilitation of LED processes in Senqu as well being required to advise Council regarding LED matters;

Senqu Municipality is one of the key partners of the Joe Gqabi Economic Development Agency (JoGEDA) which is tasked to drive special economic development projects on behalf of the district municipality and the four local municipalities in Joe Gqabi. With regard to Senqu, the Agency has prioritised commercial property development and plastic manufacturing as its immediate flagship projects;

- c. **Senqu local economy** generates around one quarter (25.7%) of total District GVA. **This** is the second largest contribution after Elundini (39.0%);

- d. From 2000 to 2010, the local economy has grown at an average rate of 3.0% per annum (pa). The District and provincial economies have averaged 5.6% pa and 3.2% pa, respectively, over the same period; and
- e. **Total formal employment** within the District sees Senqu Municipality making a relatively higher contribution of 27.9% (i.e. ranking second to Elundini at 36.7%).

3.9.7 Economic Growth, Structure and Sectors

- The **tertiary sector** contributes the greatest share of GVA (82.3%) and formal employment (68.8%) to the Senqu local economy. The Senqu economy claims a comparative advantage in the primary sector, with a location quotient (LQ) of 1.18, where both Agriculture (LQ: 1.15) and particularly Mining (LQ: 2.16) are claimed as advantages. A **comparative advantage** is also enjoyed in the tertiary sector, with a modest location quotient of 1.03, which is principally due to the relative strength of the Community (LQ: 1.20) and General Government (LQ: 1.23) Services;
- No comparative advantage exists in the secondary (LQ: 0.80) sector, although several **manufacturing sub-sectors are claimed as advantages** (i.e. the radio and instrumentation (LQ: 3.88);
- **Community services and General government (Services)** account for the bulk (39.8%) of local GVA and for 37.4% of all local formal employment. The dominance of services contributes to the concentration of the local economy (Tress Index: 63.48). Given that diversification is essential for a robust and resilient economy, the promotion of economic development across a range of sectors, away from the current concentration on Services, will mitigate against negative seasonal or sectoral impacts;
- Finance, like Services, is not strictly a driving sector in that no new productive value is generated, although both can play significant roles, as services, in facilitating (or limiting) an enabling environment conducive to local economic development. Beyond these dominant service-related sectors, potential local economic drivers emerge as mining and quarrying together with the Manufacturing sub-sectors of Electrical machinery and Transport equipment. The latter industries emerge as leading (GPI >100) comparative advantages (LQ >1; positive shift in share) and further claim higher than average growth rates, with the notable exception of Mining (-1.9%pa). Agriculture, while being claimed as a comparative advantage (LQ: 1.15), emerges as a lagging sector (GPI: 95.11) and reflects negative growth (-3.2%pa) as well as relative loss in share (-1.5%) of the District economy. However, agriculture's contribution to formal employment in Senqu (36.3%) and in the JGDM (36.6%) and contrasted with 19.3% provincially, represents more than one third of local formal employment. Senqu is characterised by a strong presence of subsistence

agriculture, which does not contribute directly to the formal economy but does enhance local food security and survivalist economics at household level, and further presents opportunities for skills development and growth in small-scale agricultural development. Limitations to commercial agricultural development, beyond the predominance of subsistence agriculture, lie in the limited extent of arable land in Senqu – one of the most degraded areas in South Africa – although intensive production of selected fruit, with related processing and packaging opportunities, as well as marginal production of dry beans and grain sorghum, have been identified for Senqu Municipality. (JGDM 2010; UKDM 2009);

- Tourism

- Senqu hosts Tiffendell, the only ski resort in Africa;
- It also contains many of the highest mountain passes in South Africa; and
- In addition, many rare plant and bird species are found in the area.

- Agriculture

- Senqu is one of the biggest producers of greasy wool in South Africa and this production is increasing.

3.9.8 Challenges

- Local Economic Development or LED is one of the mandates of local government which is directly derived from the Constitution, Act 108 of 1996 S 152 and is required to promote social and economic development. Senqu Municipality's 5-year LED Strategy was reviewed in 2017/18 although approved late;
- LED is one of the more difficult mandates of local government as it is holistic and involves all municipal departments and includes all spheres of government as well as the private sphere. The role of local government is therefore to provide an environment which is conducive to the development of the economy. It does this by ensuring that the necessary infrastructure is in place and maintained in order for the economy to grow and thrive;
- Due to historical factors the infrastructure which is needed to drive the economy is in a bad state of repair and the current and future budget projections do not allow for the infrastructure to reach a standard which will promote economic development. The Municipality consists of small towns which do not have any industrial output and only offer services and sell goods procured and made elsewhere. The road network is inadequate with poor linkages, poor signage and predominantly gravel. The existing main rural roads have reached the end of their lifespan and require rebuilding. However only a maintenance budget is available, and this has been likened to "trying to stem blood flow from a main artery with a piece of paper". The cellular network is patchy and fast internet connections are desired by the majority of residents;

- Whilst water and sanitation networks have improved in the past years, the service is inadequate and irregular with the result that many areas suffer from droughts. More water storage facilities have to be built as well as increasing the education of water wise consumers. Agricultural facilities for stock have increased in the communal areas with many shearing sheds being built which has increased agricultural production. However, the lack of maintenance and vandalism of dipping and fencing together with poor veld management on highly erodible soils has led to overgrazed lands with huge dongas and increased loss of top soil;
- The lack of land for development in urban areas has led to an expansion of former rural villages to the town boundaries. This can be seen in Sterkspruit and Hershel where the former town now has an urban fringe of villages under a communal land tenure system. This has an impact on service delivery as current systems do not accommodate home owners without formal title deeds;
- Land invasions due to lack of finance for acquiring land and lack of land for sale continues to be a problem in the former RSA towns of Barkly East, Lady Grey, Rossouw and Rhodes.

3.9.9 Intergovernmental Platforms

- The LED Unit is focused on achieving LED through creating partnerships. It therefore focuses on engaging with the public and private sector to create institutions whereby engagement can take place such as LTO's and Economic Development Forums.

Name of Forum	Times met	Dates
Local Economic Development	4	20 September 2018 3 December 2018 20 March 2019 21 June 2019
Economic Development Forum (EDF)	4	20 September 2018 3 December 2018 20 March 2019 21 June 2019

3.9.10 Promotion of Tourism

- Tourism is a growing industry and provides a growth opportunity for the local economy. As such it is one of the important drivers of the LED Strategy. The LED Unit therefore supports the local tourism industry by providing support to Community Tourism Organisations for the hosting and development of their websites. During the 2017/2018 financial year the hosting of the CTO websites was paid for and tourism information signs including one for Lady Grey town were procured and erected. Brochures were printed for Sterkspruit and Rhodes. Rock art brochures were additionally procured for the museum. This support continues moving forward;
- Reporting on the implementation of the Senqu Marketing Strategy derived from the Responsible Tourism Plan did occur as required although it is acknowledged that this remains a focal area requiring a great deal more in terms of marketing and ongoing publicity by attending related showcase events nationally.

3.9.11 Support of Tourism Events and Tourism Awareness

A Children's Creative Arts Festival was held on the 27 and 28 June 2019 in collaboration with DSRAC and Lady Grey Arts Academy School.

Events such as the Mayoral Cup were held from the 15 to the 17 June 2019. The District Youth Festival Event also took place on 8 December 2018. The Youth Festival was integrated with the Sondela Youth Festival.

It is accepted that more efficient co - ordination, communication, planning and use of limited resources is required in order to ensure that tourism specific events and awareness campaigns occur in a more targeted and strategic manner.

3.9.12 Support to SMME's

Support for SMME's was conducted through the hosting of information days, financial application support and training.

In addition, it must be noted that:

- It is required that 30% of the municipal infrastructure capital budget actually spent, be allocated to SMME's through sub-contracting in compliance with circular 77 of the MFMA. This target was not met and only 6,6% of the municipal infrastructure capital budget for the 2018/2019 financial year was allocated to SMME's. It should be noted that most of these projects are multi-year and therefore it cannot be expected that 30% is spent on year 1 of the project/s.
- The Senqu Marketing Strategy has been developed and is reported on. Notwithstanding, and whilst the target relating to this was achieved due to the way that the target was phrased, the milestones/targets within said strategy were not all achieved as planned i.e. tweeting twice a day with a target of 800 clicks was not achieved and the likes on Facebook although not evidenced, were 154 less than the targeted likes of 800 (as per the implementation plan). The milestones within the Senqu Marketing Strategy should be restructured more realistically and in line with its resources and capacity;
- As required, four (4) Economic Development Fora meetings were held: 20 September 2018, 3 December 2018, 20 March 2019 and 21 June 2019;
- As required one Annual Consolidated Report on the number of jobs created through LED initiatives (including capital projects) was compiled and submitted;

LOCAL ECONOMIC DEVELOPMENT 2018 /2019

KPA & INDICATOR	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT
	2016/2017	2017/2018	2018/2019
Report on number of jobs created through local economic development initiatives LED (CWP) including EPWP - capital projects	243 jobs created through EPWP	167 jobs were created through EPWP when an average is taken for the 12 months	An Average of 205 jobs were created during 2018/2019. It becomes difficult to determine how many jobs were created during the financial year under review as this differs from month to month as participants become sick or don't work. EPWP participants are often "laid off" or their ID's are not submitted and as result the numbers change e.g. MJC provided for 162 participants to be appointed (50 in LG, 50 in Barkly and 50 LG, 6 in Rhodes and 6 in Rossouw). No project participants were appointed as the Councillors did not nominate project participants to fill these jobs since December 2018 and as result between 137 and 130 people participated each month instead of the planned 167.

3.9.13 The Expanded Public Works Programme (EPWP)

The EPWP policy was reviewed in January 2016 and went to Council for adoption. Then a new framework for EPWP and Interns was adopted in the 2018/2019 financial year.

The currently approved policy outlines the institutional arrangements for implementing EPWP, roles and responsibilities, the employment opportunities, training and EPWP target, conditions of employment, target groups and reporting processes. The Director of Technical Services is responsible for implementing EPWP, but co-ordination thereof will be done by the EPWP Steering Committee.

The EPWP programme exists in order to:

- Create job opportunities by reviewing the manner in which municipalities implement existing projects/programmes;

- To identify and propose programmes that will contribute towards additional job creation opportunities; and
- To ensure that the proposed job creation programmes forms part of the service delivery mandates of the municipality.

These principles have been incorporated into the municipality's efforts to increase employment opportunities for its residents. Projects have included: basic road maintenance, paving of streets, picking up refuse, pothole repair and stormwater channel maintenance.

To date, the Expanded Public Works Programme (EPWP), funded by the Department of Public Works, is considered to have been successfully implemented. Management and politicians review the program annually in order to ensure that sustainable work opportunities are created and that graduates from the programme acquire the necessary skills in order to increase their employment opportunities. From its inception, internal and MIG infrastructure projects have also been registered with the EPWP and have resulted in the opportunity to provide many job opportunities and to obtain benefits from the Labour Rebate Program of the EPWP. An average of 205 jobs were created during 2018/2019. This is extremely difficult to quantify within strict financial year parameters as numbers differ from month to month as participants get sick or don't work. EPWP participants are often "laid off" or their ID's are not submitted and as result the numbers change. By way of example, MJC provided for 162 participants to be appointed (50 in Lady Grey, 50 in Barkly East and 50 in Lady Grey, 6 in Rhodes and 6 in Rossouw). Notwithstanding it must be noted that the Councillors did not fill these jobs since December 2018 and as result between 137 and 130 people participated each month instead of the planned 167.

It is always difficult to determine how many jobs have been developed during the year as the number of employed people increases and decreases month by month. It is also difficult to determine the annual number of designated persons. In an effort to ensure maximum transparency, an average monthly total is calculated for the year by adding all the jobs reported monthly on EPWPRS and dividing them by twelve. This then gives a monthly average of 167 jobs.

Senqu Municipality included the CWP figures as part of the overall job creation figures. It must be realised that job figures differ throughout the year. The CWP project created a minimum of 2000 jobs during the year. This total fluctuates quarterly due to persons resigning or being dismissed. The monthly total for CWP jobs is 2136, as the programme only operated for 11 months due to COGTA appointing a new implementer for the programme. The funds for the programme are not transferred to the Municipality but paid out by COGTA to its implementing agent.

a. Table: EPWP project costs and results for the 2018/2019 period as reported on the EPWPRS

LOCATION	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL	MONTHLY AVERAGE
Mass Job Creation	151	155	154	157	156	154	102	96	98	97	144	141	1605	134
Lady Grey Parking Bay	8	8	12	12	0	0	0	0	0	0	0	0	40	10
Hershel Paved Roads	12	12	13	13	16	18	10	16	13	18	15	0	156	14
Tienbank paved Roads	9	9	8	8	8	2	8	5	15	16	8	8	104	9
Total	180	184	187	190	180	174	120	117	126	131	167	149	1905	167

Note:

- There is a new electronic EPWP Reporting System currently in use. If this is not operated effectively, or if this is not managed properly, it can have very damaging consequences as the system may at times not read ID's and may then not count individuals. Challenges in respect of this system exists in many instances.

It is acknowledged that there are a number of difficulties and challenges in respect of administering and managing the EPWP projects themselves. Despite continuous movements and many different types of jobs being created, record keeping should not be an issue if managed correctly. Appropriate and proper statistics are required to be kept and updated monthly.

b. Table: Detailing the actual number of people employed per quarter in designated groups for the 2018/2019:

Location	Youth				Female				Male			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Mass Job Creation	65	60	25	71	96	102	32	106	66	56	27	53
Lady Grey Parking Bay	6	6	0	0	3	3	0	0	10	10	0	0
Hershel Paved Roads	6	7	7	5	9	6	6	6	13	16	13	14
Tienbank Paved Roads	6	8	9	9	4	6	5	7	12	12	13	11
TOTAL	83	81	41	85	112	117	43	119	101	94	53	78

- c. The table below details the EPWP project costs and provides results for the 2018/2019 period as reported on the Expanded Works Programme Reporting System (EPWPRS):

EPWP PROJECTS (2018/2019 Financial Year)	BUDGET	NO. OF JOBS	Male	Female	Youth
Mass Job Creation	R 7 434 000	201	105	66	135
Upgrading of BE SWS	R 11 318 000	8	5	3	4
Boyce Nondala Pavement	R 5 825 000	21	18	3	10
Lady Grey Animal Pound	R 2 246 463	13	12	1	4
Old Sterkspruit SWS Compliance	R 500 000	11	8	3	5
Cemeteries		138	58	66	72
2nd floor renovations	R 1 200 000	21	16	5	13
Tienbank paved roads	R 16 740 000	15	11	4	5
Slangbos eradication		10	6	4	5
Lady Grey SWS upgrade	R 4 801 000	14	7	7	7
Pedestrian bridge Mabele	R 4 000 000	13	7	6	1
Barkly East SWS Upgrade	R 11 318 000	8	5	3	4
TOTAL		473	258	171	265

Note:

- *It must be remembered that Hershel paved roads and Tienbank paved roads are multiyear projects and so the budget is not only for the 2017/2018 financial year, but extends to the current financial year i.e. 2018/2019;
- The EPWP and CWP programmes are operating effectively within the municipality. The roll out of the CWP programme continues to struggle due to delays in engaging new labourers to replace outgoing labourers as well as procuring equipment for projects timeously. The reporting of EPWP on the national EPWPRS is improving, although service providers are still failing to supply ID copies and labour reports timeously. This can be improved by ensuring that it forms part of service provider's contracts; and
- Enterprise development is experiencing challenges as SMME's and co-operatives struggle to become financially viable. The municipality continues to support these initiatives through its percentages in its Supply Chain Management Policy. This is proving difficult as tenderers continue to make administrative mistakes which render their tenders invalid.

An average of 205 jobs were created during 2018/2019. It must be acknowledged that it is difficult to determine how many jobs were created during the financial year under review as this differs from month to month as participants get sick or don't work. EPWP participants are often "laid off" or their ID's are not submitted and as result the numbers change e.g. MJC provided for 162 participants to be appointed (50 in LG, 50 in Barkly and 50 LG, 6 in Rhodes and 6 in Rossouw). The Councillors however did not fill these jobs since December 2018 and as result between 137 and 130 people participated each month instead of the planned 167.

3.9.13 Support Social Investment Programme

The Sustainable Developmental Community/Social Development Programme (SIP) is a project that is intended to move beyond project-based community economic development. The emphasis is on "empowerment" and innovative methodologies are utilized to systematically build community competence and capacity. Under these circumstances, Senqu is required to present its plan to create the conditions required for the second economy through community-based organisations and informal business associations. Information required includes: the number of cooperatives, small business associations and women/youth associations, develop and maintain unemployment data base.

a. Expanded Public Works Programme/s (EPWP)

Annual Performance as Per Key Performance Indicators in LED 2018/2019

INDICATOR NAME	TARGET SET FOR THE YEAR	ACHIEVEMENT LEVEL DURING THE YEAR (ABSOLUTE FIGURE)	ACHIEVEMENT PERCENTAGE DURING THE YEAR
Percentage of LED budget spent on LED related activities	100		
Number of LED stakeholder forums held	4	4	100
Percentage of SMME that have benefited from a SMME support programme		72	
Number of job opportunities created through EPWP	2000 (CWP) 30 a month EPWP	2000 CWP 473 EPWP	100 Exceed 100
Number of job opportunities created through PPP	0		

Note:

- The municipality has its own internal job creation project which uses the services of interns on a one-year contract basis and outside general staff are hired for a period of one year. This project is then registered as an EPWP project and forms part of the EPWP grant;
- All infrastructure projects are also registered as EPWP projects and the gender guidelines of the EPWP are adhered to as part of the mainstreaming programme;
- The main challenges on the job creation programme have been to ensure that there is sustainability and economic service delivery linked to lack of sufficient skills and transport. The reporting of the projects on the National system EPWPR'S has improved but under reporting still occurs due to ID copies and labour reports not being submitted timeously;
- **Expanded Public Works Programmes** are required to be informed by the need to meet specific projects and to assist with the achievement of service delivery objectives and targets; and
- EPWP is an on-going programme to which the Council has dedicated as priority in order to achieve sustainable development of the area into the future.

LOCAL ECONOMIC DEVELOPMENT POLICY OBJECTIVES TAKEN FROM IDP									
Service Objective <									

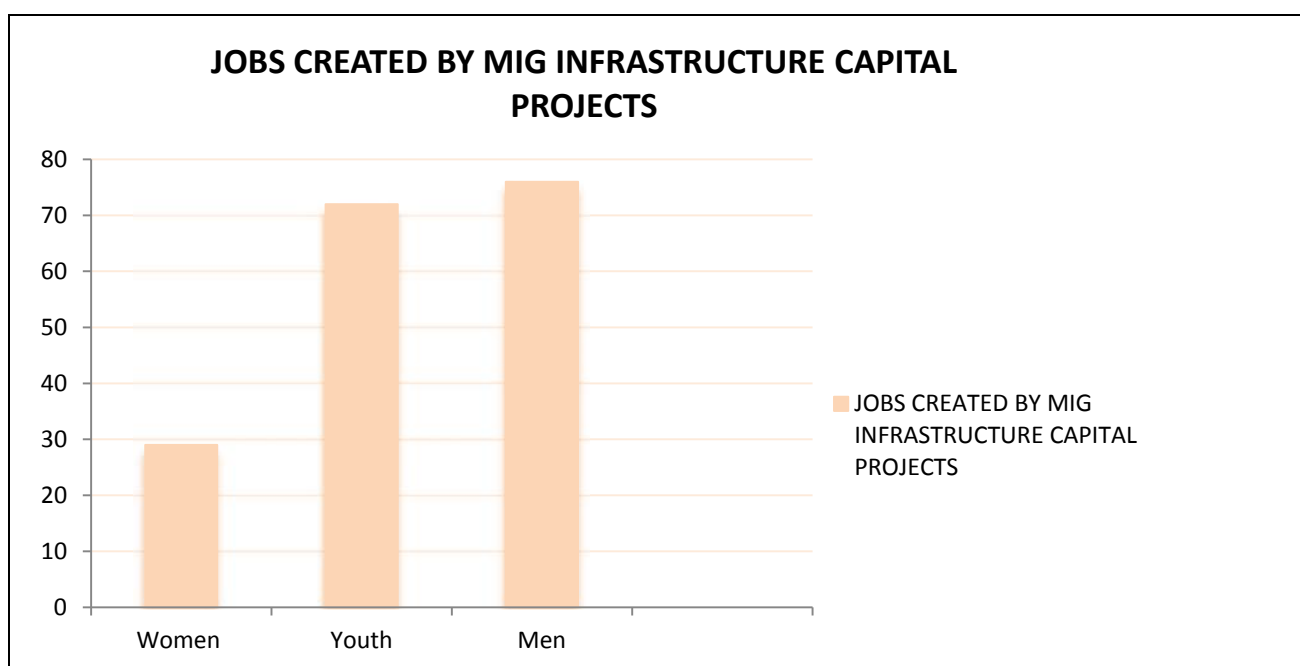
EXPENDITURE YEAR JUNE 2019 ON EPWP (LOCAL ECONOMIC DEVELOPMENT INITIATIVES)					
R'000					
Capital Projects	Year 2018/2019				
	Budget	Adjustment to Budget	Actual Expenditure	Variance from Original Budget %	Total Project Value
Job Creation EPWP/CWP	2 796 000	-	2 796 000	-	2 796 000

b. Comment on EPWP Performance Overall

EPWP targets were exceptionally well achieved during this period. More specifically:

- An average of 205 people were engaged in EPWP and MIG projects;
- Despite this it is noted that job creation beneficiaries leave the programme for more permanent employment /better employment offers.

Jobs Created by MIG Infrastructural Capital Projects



As can be seen above, due to the nature of infrastructure work, more men were utilized than woman.

As a matter of great urgency there exists a need to look into the main streaming of dis-abled persons and the incorporation of these into these programmes where at all possible. This is difficult as the majority of jobs available rely on able bodied persons to fulfil the tasks.

3.9.14 Challenges regarding LED strategy implementation

Challenges within the LED function continue and may be attributed to funding constraints and limited staff capacity in order to deal with the challenges. Taking these issues into account the following remedial action is proposed:

- Local contractors have low CIDB level ratings and do not benefit from Municipal tenders. There is a critical need to look at increasing contractor training with identified partners so that it is possible to improve the number of local firms benefitting from tenders;
- The new regulations regarding the amount of local content does not take into account the difficulties experienced by local suppliers who struggle to access the required documentation in order to be in a position to procure for the Municipality;
- The level of understanding and knowledge of the LED Strategy by internal and external stakeholders and in particular, of the role of local government in LED is extremely limited. This results in LED being seen as poverty alleviation. More effort must be extended by the LED Unit in order to expand the knowledge of ordinary citizens and influential stakeholders. This will result in a more co-ordinated and unified approach to the implementation of LED.

COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component is responsible for: Library Services; Community Halls and Facilities; Cemeteries; Sport & Recreation; Bio-Diversity & Landscapes (Parks and Public Open Spaces); Environmental Protection; Commonages and Public Safety.

3.10 LIBRARIES, ARCHIVES, MUSEUMS, GALLERIES, OTHER

3.10.1 Introduction to Libraries

- a. Number of Libraries: five (5);
- b. Areas of operation: Lady Grey, Barkly East, Sterkspruit and satellite libraries in Rhodes and Rossouw;
- c. Resources include books, large-print books, newspapers and periodicals, audio-books, DVDs, videos, music CDs and scores, and CD ROMs for all age groups;
- d. Libraries Services operate as an agency function and receive funding in terms of the DSRAC Government Grant;
- e. The Service Level Agreement was signed by the Municipal Manager and sent to DSRAC on 20 July 2018. This compliance issue was completed and signed 8 working days prior to the deadline of 31 July 2019. This prevented unnecessary delays in the implementation of library services – as had occurred in the past due to delays in signing;
- f. 4 Quarterly Reports on the implementation of the SLA were submitted to DSRAC on 11 January, 10 April and 09 July 2019;
- g. Four (4) quarterly reports on statistics of books loaned and returned were compiled and submitted for each library – ensuring control and analysis of usage.

3.10.2 Comment on Library Service Performance Overall

- a. The early and therefore more than timeous signature of the 2018/2019 SLA was beneficial overall and prevented unnecessary delays in service delivery within libraries;
- b. Inadequate funding remains a challenge as the grant from DSRAC does not cover all library expenditure;
- c. The quarterly reports on the Implementation of the SLA were compiled and submitted as required (incorporating statistics of books loaned and returned within each library);
- d. The report on the Research Exercise conducted was not reported on as required during 2017/2018, but was tabled to top management during the first quarter of 2018/2019;
- e. Library circulation and activity reports were submitted monthly to the Director and to the Standing Committee;

- f. Book clubs and the Library Committee continued to function;
- g. New books were delivered to libraries by DSRAC;
- h. Library promotion events were held mostly in rural and farm schools in order to promote library usage to those in disadvantaged areas;
- i. Systems and procedures have been developed for libraries in order to effect controls on the administration of libraries;
- j. Two modular libraries were placed in 2017/2018 by DSRAC in Sterkspruit (Hillside and Herschel) and are operated by DSRAC;
- k. The mini libraries for the blind continue to operate within Barkly East and Sterkspruit effectively; and
- l. Manual systems continue to be used to record data and for reporting purposes.

a. Library Services Statistics

LIBRARY	NUMBER OF FACILITIES	USERS	CIRCULATION OF BOOKS
Rhodes	1	281	1561
Rossouw	1	162	2050
Barkly East	1	1050	3265
Lady Grey	1	945	3126
Sterkspruit	1	547	6069

b. Library Services Employees

EMPLOYEES: LIBRARIES					
Job Level	Year 2017/2018	Year 2018/2019			
	Employees No.	Posts No.	Employees No.	Vacancies (full time equivalents) No.	Vacancies (as a % of total posts)
0-3					
4-6	3	3	-	0%	3
7-9	2	1	-	0%	1
10-12	1	1	-	0%	1
13-15			-	0%	
16-18			-	0%	
19-25			-	0%	
Total	6	5	-	0%	5

c. Financial Performance: Library Services

FINANCIAL PERFORMANCE YEAR JUNE 2018: LIBRARIES					
Details	Year 2017/2018	Year 2018/2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1 525	1 504	1 504	1 504	-
Expenditure					
Employees	1 564	1 658	1 661	1 727	66
Repairs and Maintenance	1	3	4	-	-4
Other	213	221	261	228	-33
Total Operational Expenditure	1 779	1 882	1 926	1 955	29

NOTE: It is to be noted that there was no capital expenditure on Libraries

3.11 CEMETERIES

3.11.1 Introduction to Cemeteries

This unit is responsible for the management, maintenance and development of Cemeteries and Crematoria. In an ongoing effort to ensure that service delivery is provided at the highest level, every effort is made to ensure that improvement occurs from year to year and areas for improvement are highlighted from the previous year's feedback reports. Burials are required to be controlled within the framework of the Health Act and within the prescripts of community records and administration, while ensuring that there are sufficient sites operating.

The 8 cemeteries in towns are well managed. These are to be found in: Steve Tshwete; Khwezi Naledi; Nkululeko old cemetery; Zola; Rhodes-Zakhele; Barkly East Town; Lady Grey Town; and Sterkspruit Town Cemetery. Notwithstanding it is noted that Senqu still utilizes the manual out-dated approach to administrative functioning in this area.

It must be noted that the cemeteries developed within the rural areas were also maintained quarterly during the financial year and a total of ten (10) rural cemeteries were maintained quarterly as planned.

A new cemetery is planned for Barkly East but this project and the identification of suitable land and appointed service providers will be handled in 2018/2019.

3.11.2 Service Statistics for Cemeteries & Crematoriums

Closed Cemeteries:

- Khwezi Naledi Cemetery; and
- Sterkspruit Town Cemetery.

Operating Cemeteries:

- Rhodes: two Cemeteries;
- Rossouw Cemetery;
- Lady Grey: two Cemeteries;
- Barkly East two cemeteries;
- and remaining Cemeteries in Rural Areas that are currently operational.

3.11.3 2018/2019 Cemetery Performance Overall:

- 202 Burial Plots were provided as per request during 2018/2019. This is a demand driven target;
- 8 cemeteries were maintained each quarter during the financial year ie. Steve Tshwete, Khwezi Naledi, Nkululeko old cemetery, Zola, Rhodes-Zakhele, Barkly East Town, Lady Grey Town, and Sterkspruit Town Cemetery;
- Minor repairs to the fences in Cemeteries were effected;
- Town and rural cemeteries were well maintained overall;
- The maintenance of cemeteries was also extended to rural cemeteries and all planned 10 rural cemeteries were maintained and reported on quarterly;
- The greatest challenges experienced in respect of maintenance relates to the fact that in Lady Grey the cemetery is reaching its full capacity;
- The municipality is in the process of establishing a new cemetery in Barkly East as this area is experiencing a shortage of burial land. While groundwork has been done, a consultant could only be appointed during 2018/2019. This process is ahead of schedule by seven (7) months and the land acquisition was completed by quarter 2 i.e. by 20 November 2018 and application for the EIA commenced 4 February 2019. The project is currently within the final stages of the EIA;
- A Cemetery Database is constantly updated during the financial year; and
- It is recognized that the identification of new land for new cemeteries is vital to accommodate burials for the next 20 years.

a. Nature and Extent of Facilities Provided: Cemeteries (Urban)

LOCATION	2017/2018	2018/2019
Barkly East	3 Facilities	2 Facilities
Lady Grey	3 Facilities One facility is closed	4 Facilities and one facility is closed
Sterkspruit (Urban)	1 Facility The facility is closed	1 Facility and The facility is closed Rural cemeteries that are operational
Rhodes	2 Facilities	2 Facilities

b. Financial Performance

FINANCIAL PERFORMANCE YEAR 2017/2018: CEMETERIES AND CREMATORIALS					
R'000					
Details	Year 2017/ 2018	Year 2018/2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	20	39	39	17	-22
Expenditure					
Employees	613	684	683	709	26
Repairs and Maintenance	826	1 091	1 069	682	-387
Other	581	320	641	553	-88
Total Operational Expenditure	1 408	2 095	2 393	1 944	-449
Net Operational Expenditure	2 000	2 056	2 354	1 927	

c. Capital Expenditure

CAPITAL EXPENDITURE YEAR JUNE 2018/2019 CEMETERIES R'000					
Capital Projects	Year 2018/2019				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All	500	300	183	-117	300
EIA's Senqu Cemeteries	500	300	183	-117	300
Construction of New Cemetery in Barkly East	500	300	183	-117	300

3.12 CHILDCARE, AGED CARE AND SOCIAL PROGRAMMES

3.12.1 Introduction to Childcare, Aged Care and Social Programmes

Special Programmes have been undertaken by the Special Programmes Unit in order to provide assistance to those in need/those who have been disadvantaged in some way and in this manner to ensure a better quality of life for all. To this end it must be noted that:

- Local authorities have a legal mandate in terms of the Constitution (Schedule 4B) regarding their duty to provide facilities for early childhood development, but other imperatives can be gleaned

from their responsibility towards promoting social and economic development. In terms of child care, it is required that the municipality:

- Inspect the facilities utilized in order to ensure that they meet the minimum requirements – in this manner ensuring the child’s safety by the actions of the District Municipality;
 - Environmental Health Practitioners are required to inspect identified facilities and to report on their status and whether any interventions are necessary; and
 - The Environmental Health Practitioners’ are required to assist with the monitoring of the quality of early childhood development, facilities, services and programmes rendered within those facilities.
- **SPU projects:** projects such as World Aids Day and “16 days of activism against child and woman abuse” are required to be organised;
 - Efforts are required to be made in order to facilitate the upliftment of: children, youth, women, people with disabilities and the like; and
 - HIV/Aids programmes and related interventions are required to be mainstreamed through effective planning and successful execution.

3.12.2 2018/2019

Despite the number of challenges, many positive interventions have been held and are reflected in the table that follows. This table details the manner in which the intervention occurred and the activity and date at which the intervention took place. These are reflected as follows:

a. The 2018/2019 period is reflected on as follows:

- The position of SPU Officer was only filled in August 2018 after many months of being vacant following the demise of the SPU Officer;
- Targets for planned initiatives in respect of mainstreaming were not well achieved. More specifically, Human Resources was tasked to organise the Wellness Day which would have been combined with HIV Awareness and Condom Distribution. This was unfortunately postponed. The Senqu Youth Festival was also not held during the planned timeframe of Quarter 1. During the second quarter both the Employee Wellness Day and the “16 Days of Activism” projects were not conducted. During quarter 3, no information was provided on HIV awareness and the Human Rights Day;
- The District Youth Festival Event finally took place 8 December 2018. It is noted that the Youth Festival was integrated with the Sondela Youth Festival and this occurred as result of Senqu LM contributing R 250 000 to the Youth Festival. It is clear that more efficient co - ordination, communication, planning and use of limited resources is required in order to ensure that targets are achieved as planned, despite existing challenges;

- Despite the fact that the SPU Activity Plan was not developed and reported on quite as required in terms of compliance, it must be noted that many achievements did occur such as the following: the Senqu Youth Council was elected in June 2018; the Induction Workshop was conducted in July 2018 (despite not being formally tabled to the standing committee); the “Awareness on 16 days of Activism” was conducted on 20 December 2018; the SALGA games were changed in name to the “Steve Vukile Tshwete Games” which were held in East London from the 28 to 30 November 2018. In this instance, the report was tabled to the standing committee; the Strategy on Vulnerable Groups was not completed due to budgetary constraints; and the Ward Tournaments were held during the fourth quarter of 2018/19 in preparation for the Mayoral tournament that was held from 15 to 17 June 2019;
- A great deal of SPU structure meetings were held as detailed on the table that follows;
- The Local Aids Council Meetings were held quarterly; and
- It must be noted that the formal SPU Plan was not reviewed and submitted as was required. Notwithstanding, all required reporting regarding SPU issues were submitted to the Standing Committee as per the SPU Activity Plan.

b. SPU structures meetings

MEETING	DATE	COUNCILLORS	OFFICIALS	COMMUNITY MEMBERS
WOMEN				
Structure Meeting & Voters Education for women WEE & Women structure	21 – 27 February 2019.	5	1	13
Elderly Persons AGM	20 March 2019	3	2	24
16 Days of Activism	20 December 2018	9	2	44
YOUTH				
Children's Creative Arts Festival held in collaboration with DSRAC and Lady Grey Arts Academy School.	27 and 28 June 2019			
District Mayoral Tournament – JGDM Barkly East	13 October 2018			All Sporting Codes participated.
Steve Stwethe Games Plenary Meeting	23 August 2018			
Steve Vukile Tshwete Games – East London	28 to the 30 November 2018.			
Forster Child & Forster Mother Day Children Programme	March 2019			
Training for People living with Disability Programme	6 February 2019			
District Youth Festival Event and Sondela Youth Festival	8 December 2018			
Mayoral Cup – Senqu Municipality	15 – 17 June 2019			

SPU structures meetings /continued from previous page

MEETING	DATE	COUNCILLORS	OFFICIALS	COMMUNITY MEMBERS
PEOPLE WITH DISABILITIES (DISABLED)				
Local Golden Games and Election Elderly Structure	5 September 2018			
Forum Meeting for the Elderly Persons	20 March 2019			
Disability Business Awareness Campaign	6 February 2019			101
2 National Golden Games were held in Bloemfontein for all senior citizens over the age of 60 years	18 to 23 October 2018			
Training for Disability Enoch Sontonga KWT	29 January 2019			32
Forum Meeting Disability Structure	19 March 2019			
HIV/Aids				
Local Aids Council Meeting	13 September 2018	1	2	47
	12 December 2018			
	14 February 2019			
	27 June 2019			
World AIDS Day	13 December 2018	2	2	100
District Planning Meeting for HIV/AIDS Implementation Plan	20 March 2019			
Condom Distribution	Quarterly throughout Senqu Municipality		1	
District Aids Council	27 th February 2019	2	34	0
Meeting with ECAC	28 March 2019	1	1	0
Other				
Cultural Festival	7 August 2018			
Bellringers F.C. from Senqu Municipality attended as the winners of the JGDM Mayoral Tournament.				
16 Days of Activism	20 December 2018			

COMPONENT E: ENVIRONMENTAL PROTECTION

3.13 BIODIVERSITY AND LANDSCAPE (INCLUDING PUBLIC OPEN SPACES) AND OTHER

3.13.1 Introduction Bio-Diversity and Landscape

Bio-Diversity and Landscape is an area of service delivery involving the management, maintenance and development of parks, open spaces and the beautification of municipal areas. Horticultural practices that are undertaken include: beautifying, landscaping of town entrances, maintenance of sidewalks and grass cutting.

a. Parks and Public Open Spaces

It is the objective of this function to provide and maintain the presence of parks and public open spaces so as to ensure that a pleasant and appealing environment is created for the community.

This function has been well-achieved, and it is noted that:

- The Cleaning Operational Plan was implemented. On-going maintenance occurs according to available budget and schedules (in respect of grass cutting/mowing, grading/ploughing and cleaning);
- Parks are maintained on a monthly basis and reports submitted timeously to standing Committees as required. Three parks have been maintained – two in Lady Grey and one in Barkly East;
- Grass cutting occurred in towns and townships;
- Quarterly reports were submitted regarding maintenance of public open spaces i.e. 29 public open spaces (12 x Lady Grey, 11 x Barkly East, 1 x Sterkspruit and 5 x Rhodes).

COMPONENT F: HEALTH

3.14 HEALTH INSPECTION

3.14.1 Introduction to Licensing and Regulation Control

It is the intention of this function to improve the economic development within the community in respect of both formal and informal businesses. It is also the intention to regulate the trading activities of the licence holders.

3.14.2 Strategic Objectives:

- Promoting the development of strategic sites within the municipality by marketing these to the developers;
- Formulating an informal trading policy and using this to promote trading facilities as required; and
- Issuing of licenses and controlling of trading within the municipality.

3.14.3 2018/2019 Licensing and Regulation Performance Overall

- Business and Street Trading was monitored during the financial year that Business licenses were issued and reported on quarterly as required;
- Income was generated through the issuing of business licenses, temporary licenses during pension pay out days and the annual renewal of Hawkers licenses;
- Control and compliance was monitored in order to ensure compliance with legislation;
- Workshops and information sharing was conducted with street traders;
- The Environmental Health Practitioners evaluate business premises to ensure compliance as they may only issue licenses based on the compliance aspects being met. All qualifying businesses were issued with licences; and
- The Licensing and Regulations Officer also dealt with a number of issues including, the control of advertising within the Municipality, where he ensures that permits are issued for people wishing to advertise and a prescribed fee is paid.

COMPONENT G: SECURITY AND SAFETY

3.15 DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES

3.15.1 Introduction to Disaster Management, Animal Licensing and Control, Control of Public Nuisances

Within this area, the functions of Disaster Management, Commonage Management and Pounds and Control of Public Nuisances will be examined.

a. Disaster Management

The municipality does not have its own functional Disaster Management Unit. Disaster Management is the responsibility of the Joe Gqabi District Municipality. The District Municipality has conducted a section 78 process and has come up with proposals to hand the function over to Senqu Municipality.

Senqu Municipality have decided to conduct their own section 78 process to determine what it would cost to manage and run this said function. This was undertaken as a result of uncertainties within in the 78-report presented by the Joe Gqabi District Municipality

The s 78 process would address issues related to -

- Financial Implications of the municipality taking over the service (human capital and required resources); and
- personnel that must be taken /absorbed from the Joe Gqabi District Municipality.

The Director Community Services attends Disaster Management meetings in an advisory capacity and liaises with the district on issues of common interest.

b. Commonage Management and Pounds

- Commonage land is required to be exclusively used for agricultural activities as described within the Commonage Management Plan. A Commonage Management Plan highlights the issues that must be looked at and managed on a day to day basis. This involved the management of commonage including: resting and rotation of camps; maintenance of fences and water; development of permanent pastures; water provision in camps and erosion control;

- **During the 2018/2019 period, it was ensured that:**

- 4 Quarterly reports on the maintenance of fences in commonages were submitted as required. Maintenance was completed as planned as follows: Ward 05 (2950,1 meters), Ward 14 (6860,46 meters), Ward 15 (5300,4 meters), Ward 16 (6376,38 meters);
- Four Commonage Management Awareness Campaigns were held quarterly in collaboration with other Government Departments in order to educate farmers about the use of commonage and how to overcome challenges of overgrazing and overstocking. These were held: 11 September 2018; 12 December 2018; 28 February 2019 and 29 May 2019;
- Stock registers were developed, maintained and updated quarterly. These were developed, and counting was completed as required and reporting was submitted to the Standing Committee monthly;
- The construction of kraals, perimeter fences, guard houses and loading and offloading bays to do with animal pounds in Lady Grey was delayed due to difficulties experienced with sewer connections to the District's main line. The application for sewer connection to the District's main sewer connection line was completed 31 July 2019;
- Stray animals were impounded as and when they were caught and monthly reports detailing these statistics were submitted to the standing committee.

- **Challenges**

- Insufficient budget to implement the Commonage Management Plan;
- Overgrazing and continuous grazing in the commonage is still a challenge together with a number of "small farmers" who are not willing to pay the grazing fees for the use of commonages;
- The municipality is facing challenges of impounding animals when there is no suitable and approved pound. This makes it difficult to impound animals as they are stolen after hours in the pound; and
- Fences are being repaired in the commonage by the Municipality. The greatest challenge relates to fences being stolen and this creates a situation where it is impossible to maintain the commonage and practice rotational grazing according to the Commonage Management Plan.

- **Impounding of Animals**

The overall objective is to ensure that stray animals are removed from the roads and streets and are impounded. Pounds are to be established and maintained accordingly. Due to budget constraints, this service is provided at a very basic level.

- **During the 2018/2019 period, it is noted that:**

- The Lady Grey Pound could not be finalised and this project will be completed during 2019/2020;
- Income was derived from the selling in auction of unidentified impounded animals;
- Due to budget constraints, this service is provided at a very basic level; and
- Income is derived from pound fees.

Income for the pound's function is reflected as follows:

FINANCIAL PERFORMANCE YEAR JUNE 2017: DISASTER MANAGEMENT, BY LAW IMPLEMENTATION (ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES)					
Details	Year 2017/2018	Year 2018/2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	105	83	83	25	-58
Expenditure					
Employees	396	391	389	337	-52
Repairs Maintenance	-	-	-	-	-
Other	198	110	114	95	-19
Total Operational Expenditure	594	501	503	432	-71
Net Operational Expenditure	489	481	420	407	

CAPITAL EXPENDITURE YEAR JUNE 2018/2019 POUNDS R'000					
Capital Projects	Year 2018/2019				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All	5 000	1 931	3 718	1 787	6 931
Pound Project Lady Grey	5 000	1 931	3 718	1 787	6 931

COMPONENT H: SPORTS AND RECREATION (Includes community halls, sports fields, sports halls, stadiums, swimming pools and camp sites)

3.16 INTRODUCTION TO SPORT AND RECREATION

The municipality is required to provide basic sport and recreation facilities within its area of jurisdiction:

Nature and extent of facilities provided:

LOCATION	FACILITIES
Barkly East	1 x Multipurpose field 1 x Soccer field
Lady Grey	1 x Multipurpose field 2 x soccer fields 1 x Golf Course run by the Golf Club on a lease agreement
Sterkspruit	1 x multipurpose field Playing soccer in the rural areas
Rhodes	1 x soccer field 1 x tennis court

3.16.1 2018/2019 Sport and Recreation Performance Overall:

- Sports fields were well maintained in terms of the approved maintenance plan;

- The repair of the Kwezi Naledi Sport fields due to vandalism could not be completed as the Specifications Committee was not satisfied with the motivation and this is held over until 2019/2020;
- 10 sets of poles and nets were purchased and installed for sportsfields in the rural areas; and
- While acknowledging that vandalism of the stadium fences is rife, these were addressed as and where required in several areas.

a. Financial Performance

FINANCIAL PERFORMANCE YEAR 2017/2018: SPORT AND RECREATION					
R'000					
Details	Year 2017/ 2018	Year 2018/2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	-	8	9	1
Expenditure					
Employees	1 094	990	1 081	1 000	-81
Repairs and Maintenance	58	28	82	98	16
Other	693	629	686	769	83
Total Operational Expenditure	1 845	1 647	1849	1867	18
Net Operational Expenditure	1 845	1 647	1841	1858	

b. Capital Expenditure

CAPITAL EXPENDITURE YEAR JUNE 2018/19 SPORT AND RECREATION R '000					
Capital Projects	Year 2018/2019				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Poles & Nets - Sportsfields	250	224	224	-	224
Kwezi Naledi Sportsfields Fence	1 100	300	140	-160	209
Establishment of Park in Lady Grey	-	91	-	-91	3 688
Renovations Kwezi Naledi Node	600	400	-	-400	376
Total All	1 950	1 015	364	-651	4 497

3.17 INDOOR RECREATIONAL COMMUNITY FACILITY (HALLS)

3.17.1 Introduction to Indoor Community Facilities (Halls)

The organization was required to manage maintenance and develop all municipal sports facilities and the promotion and development of sports and recreation. Maintenance plans for the sports facilities were developed.

a. Service Statistics for Community Halls

The table below details the use and accessibility of community halls.

LOCATION	FACILITIES
Barkly East	2 x Facilities: Nkululeko Hall in good working condition Barkly East Town Hall – due for renovations
Lady Grey	3 x Facilities: Khwezi Naledi Hall in good working condition Lady Grey Town Hall needs renovation Transwilger is in good working condition
Sterkspruit (Urban)	1 x Facility: Bhunga Hall in good working condition
Sterkspruit (rural areas)	18 x Facilities: Ndofela, Storomo, Makalakaleng, Makhumsha; Hillside Phelandaba, Mmusong, Majuba, Thaba-Lesoba, Ngquba, Tienbank, Blue Gums, Magadla, Esilindini (Kwa Ntoyi) Zava; Herschel, Sunduza; Voyizana. Most of these facilities require renovations
Rossouw	1 x Facility: Rossouw Hall in good working condition
Rhodes	1 x Facility: Rhodes hall in good working condition

There are 28 multipurpose centres (inclusive of rural areas) and it must be noted that there are facilities rural areas which needs maintenance though there is no revenue generated.

- The construction and completion of Ward 9 Community Hall by 30 June 2019 occurred and was completed slightly after the due date;
- The appointment of a Consultant and Contractor for the renovation of the Barkly East Community Hall, Project Design and Heritage Impact Assessment did not occur within this financial year and will progress during 2019/2020; and

- 7 Halls were maintained and repaired as per the planned maintenance plan. Cleaning occurred weekly and included an additional 3 halls that hadn't been included within the plan.

b. Financial Performance

FINANCIAL PERFORMANCE YEAR JUNE 2018: COMMUNITY HALLS					
Details	Year 2017/2018	Year 2018/2019			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	100	87	87	72	-15
Expenditure					
Employees	3 183	2 839	2 879	3 436	557
Repairs Maintenance	560	806	933	809	-124
Other	1 284				
Total Operational Expenditure	5 027	3645	3812	4245	433
Net Operational Expenditure	4 927	3558	3725	4173	

CAPITAL PROJECTS

CAPITAL EXPENDITURE YEAR JUNE 2018/2019 COMMUNITY HALLS					
R'000					
Capital Projects	Year 2018/2019				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All	1 500	1 059	366	-693	2 963
Community Hall - Ward 9	-	159	208	49	1 962
Renovations (Barkly East Town Hall)	1 500	900	158	-742	1 001

COMPONENT I: MISCELLANEOUS

3.18.1 ICT

A great deal of progress was made within this area. More specifically it is noted that the review of the IT Disaster recovery plan and IT Strategic Plan did occur and was submitted to the Council meeting of July 2019. The ICT Disaster Recovery Plan forms part of the ICT Governance Framework. Back – ups are completed in terms of this and back up registers are provided in order to validate this.

Four (4) quarterly reports on the systems downtime for emails and internet as a result of hardware or network failure were concluded and so too quarterly reports detailing the monitoring and maintenance of servers.

An IT server was purchased and delivered on 18 February 2019.

Four quarterly Reports on the status of security cameras were submitted as required. Reports on the Monitoring of IT Back Up System were also submitted. The IT Backup system of the municipality is regularly monitored and maintained.

The IT needs assessment was conducted during the fourth quarter of the 2017/2018 Financial Year during the IT Steering Committee meeting of the last financial year. This target should be moved to the last quarter. The appointment letter was signed by the Chief Financial Officer on the 26 November 2018.

The IT Steering Committee meetings were held on 10 September 2018, 27 November 2018, 4 March 2019 and 26 May 2019.

3.18.2 Supply Chain Management

Overall it is noted that the Supply Chain Management (SCM) process flow has improved and the scheduling of meetings has resulted in improvements in the SCM turnaround time (improvements are required ongoing). Historically, certain Directorates have indicated that their progress in terms of achieving targets had been affected by “red tape” and / or slow SCM processes;

Upon further analysis and in an effort to improve day to day functionality it is suggested that:

- Improvements are required to be made in terms of the manner in which service providers are managed. It would appear that Directorates are a contributing factor and fail to ensure that the required level of commitment is being given to managing service providers/contractors /consultants appointed within their directorates. These reports are being received by SCM from directorates and/ or project managers in terms of service providers and vendors.

This is a critical function and it must be understood that it represents an area of compliance;

- This area of operation, functioning and reporting is not the sole responsibility of the Supply Chain (SCM) Manager and/or Supply Chain (SCM) Unit. Staff (SCM) are required to assist in collating and

reporting of data BUT the performance management function of the service providers and vendors **remains the responsibility of the relevant line managers** in terms of assessing performance (as part of their day to day operational and management function). Currently, this is not taking place in a formalized manner and is an area of great concern that clearly requires attention. Failure to comply may lead to an audit query and an audit qualification which may have far reaching consequences overall;

- Moving forward it must be ensured that Directorates manage service providers /contractor's/ consultant performances and that good quality monitoring and reporting occurs and assessments occur in terms of the performance system incorporated into the reviewed performance management policy framework as approved in October 2018. Failing this, consequence management is required to be instituted, and the necessary compliance notices are required to be issued, and disciplinary action taken where required;
- A system to manage and rate service providers has been incorporated within the revised Performance Management Policy / Framework Policy as approved in October 2018. Currently the Supply Chain (SCM) Manager in conjunction with relevant Directorates ensures that certain performance protocols are followed prior to processing an invoice. The performance of service providers will for some time remain an ongoing challenge.

Conclusion: Key Performance Result Areas (Snapshot). Progress in terms of target achievement between targets within Key Performance Areas between 2017/2018 and 2018/2019

In terms of the Key Performance Areas a consolidated snapshot is provided in the table below detailing a comparison between performance results achieved between 2017/2018 and 2018/2019:

KPA: Result areas (Snapshot)	2018/2019	2017/2018	I – Improvement Regressed	2018/2019	2017/2018	I – Improvement Regressed
KPA	Results	Results	Overall	Results	Results	overall
KPA AND NUMBER OF TARGETS	KPA Targets Met and Exceeded 2018/2019	KPA Targets Met and Exceeded 2017/2018		Targets not Met and met with variances 2018/2019	Targets not Met and met with variances 2017/2018	
Service Delivery <u>Number of Targets</u> 18/19 Targets 69 17/18 Targets 80	76.81%	56.25%	Improved	23.19%	42.50%	Improved
LED <u>Number of Targets</u> 18/19 Targets 4 17/18 Targets 11	75.00%	72.73%	Improved	25.00%	27.27%	Improved
Financial Viability <u>Number of Targets</u> 18/19 Targets 32 17/18 Targets 35	90.63%	88.57%	Improved	9.38%	11.43%	Improved
Municipal Transformation and Development 18/19 Targets 43 17/18 Targets 49	76.75%	73.47%	Improved	23.26%	26.53%	Improved
Good Governance & Public Participation <u>Number of Targets</u> 18/19 Targets 28 17/18 Targets 32	78.58%	65.63%	Improved	21.43%	34.38%	Improved

2018/2019 - Overall results

Number Targets in the previous financial year - **2017/2018: 207**

Number Targets in the year under review - **2018/2019: 176**

(This represents a decrease of 31 Targets from previous financial year.

The Targets that were deemed to have been met are combined with the targets exceeded

An overall result is: 79.54% for the 2018/2019 financial year.

There has been an improvement in all Key Performance Indicator Areas as compared to the previous financial year 2017/2018 (68.12%). An increase of 11.42% is observed.

The Targets deemed “not met”

An overall result of 20.45% for the 2018/2019 financial year was achieved as opposed to 34.10% from the previous financial year. There has been a **decrease** in the number of targets **not met** for the 2018/2019 financial year i.e. a decrease of 13.65% of targets not met.

Reduction of 30 targets: 36 targets were not met in 2018/2019 as opposed to 65 not being met in the previous financial year – overall decrease represents a figure of 55.38%.

“Targets not assessed and or on hold”

Targets not assessed and or on hold

2017/2018 financial year - 0.48% and

2018/2019 financial year - 0.00%

It must be emphasized that notwithstanding the fact that Senqu Local Municipality achieved a “clean audit with other matters”, that if a comparison is made between the current financial year 2018/2019 and the previous financial year 2017/2018, Senqu Municipality’s **performance has improved overall by 11.42%**. There are still however identified challenges and areas requiring much improvement. These identified areas must be addressed moving forward into the new financial year.

COMPONENT J: ORGANISATIONAL PERFORMANCE SCORECARDS AND S46 PERFORMANCE REPORT 2018/2019

The s46 performance report is attached as an Annexure i.e. Appendix T – pages 1 to 49.

s46 of the Municipal Systems Act, Act 32 of 2000 informs this report directly and requires that:

- The Annual Performance report forms part of the municipality's Annual Report as per Chapter 12 of the Municipal Finance Management Act;
- The Annual Performance Report is required to reflect:
 - The performance of the municipality and all external service providers utilised within the current financial year;
 - Comparisons of all performance between the current and previous financial years (comparing targets against actual performance); and
 - Detail regarding all measures taken to improve performance.

This s46 Performance Report will detail all issues as required and based on the information accessed via municipal reports, records, statistics and the like. It will be noted that this information is provided as a draft that incorporates the previous, current and future performance management targets and performance is reflected for the previous and current years (based on information provided by management).

Note:

- Information is provided in this first draft. Information has been accepted at face value and may be required to be amended during the final draft of the Annual Report.
- Challenges were experienced with reporting information. More specifically it is noted that:
 - When considering the targets, and reporting on milestones (these targets) there is often no alignment or correlation between the two. Often a specific technical and quantifiable answer is required (e.g. work performed) and the reporting states "Report". This clearly does not define anything;
 - Often reporting is inadequate and not enough information is provided. If meetings were held the dates are required and any other pertinent facts.
 - It is strongly recommended that when setting IDP targets it is ensured that these are set in a realistic and achievable manner. It is hard to adjust targets after the fact and sometimes a "continuous" or long-term target will be more realistic;
 - Discrepancies are at times noted and it is not always clear which information is correct. Information must be provided accurately. The collators of the information depend totally on documentation provided and it is the responsibility of all Directors to ensure that;

- The IDP is required to show projected reporting that spans five (5) years – in this instance reporting does not cover this period – making it extremely difficult to compile the s46 report; and
- Correct reporting on performance is beneficial for all other performance reporting and performance assessment (i.e. reporting at both the institutional and individual). In order to assist it is suggested that the content is updated regularly in order to ensure accuracy of content – ensuring too that this is available and able to be used and accommodated within all other reporting required.

DISCLAIMER

The information provided within this report is reliant on the information provided by the various Directorates. Difficulties in validating data continues to be experienced and as such, the accuracy of all information provided cannot be assured.

Notwithstanding, the collators and coordinators have been assured that the information contained within the feedback received and included within this report is in fact the correct information and at face value we have been required to accept this as against audited documents – where comparisons have been possible.

It is the responsibility of all Directorates to provide the required information which is then required to be collated and submitted within the correct format. While it is acknowledged that certain directorates have attempted to provide this information as requested, many have not complied or submitted information incorrectly and/or extremely late. This situation may have been exacerbated due to recent issues that have surfaced in respect of certain contracts. Despite this, all parties are still within the employ of Senqu Municipality and are thus bound to provide required information and not to impede progress – especially in an area such as this, which has compliance responsibilities.

It appears that staff within other directorates appear to believe that it is the responsibility of the collators and the co - coordinators to provide all required information. This is unacceptable as the report is that of Senqu Municipality (with each directorate taking full responsibility for information relating to their specific directorate). Content and the accuracy thereof is not the responsibility of the collators' and the coordinators' – their role is simply to obtain, collate, align and restructure information provided and not to verify this in any way. In addition, it is the technical responsibility of all relevant directorate staff to provide inputs regarding performance and issues within their own directorates. They are required to take responsibility for any inputs provided as they are aware on a functional level as to what information is applicable / relevant. Under these circumstances the collators and the coordinators cannot be held accountable for the quality/accuracy/absence of information provided or the lack thereof.

The information is thus being presented with the full knowledge that certain of the detail provided might not reflect the required levels of accuracy. It is further noted that every effort has been made to align reporting to the information contained within other strategic and reporting documents. Notwithstanding, it must be noted that at times the manner in which the information is presented in

these other documents may not align with the detail contained within this report, especially where additional detail is provided. Under these circumstances the collator is reliant on the information provided by the departments and is not able to validate this.

In instances where information is found to be lacking or inadequate you are hereby advised that the coordinator of this report has only been able to work with the information provided to them – and as much as they have attempted to validate this where possible they cannot be held accountable – for the reasons reflected above. This is an extremely serious situation and must be regarded and handled as such ---- failure to comply and provide accurate data may have serious consequences for Senqu Municipality – not the least of which will relate to an audit qualification. Under these circumstances it is advisable that this situation be taken up formally with MPAC and following investigation - those persons who are found to be non-compliant in this regard need to be issued with the relevant compliance order so that this matter may be addressed formally, appropriately and once and for all.

COMPONENT J

5 YEAR - IDP PRE – DETERMINED TARGETS



FINANCIAL YEAR UNDER REVIEW

2018/2019

COMPONENT J

IDP PREDETERMINED TARGETS

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/18	YEAR UNDER REVIEW 2018/2019	2019/20	2020/21	2021/22	
KPA 1: BASIC SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT								
TRAFFIC & LAW ENFORCEMENT - BSD01	To ensure that the traffic section operates effectively and efficiently	Construction and operating a licensing a licencing centre in Sterkspruit by 30 June 2020		Investigation of the feasibility of constructing and operating a Sterkspruit licencing centre				Community Services
		5192 people tested on learners’ licences	644 (BE)	644 (BE)	1288 (BE & SS)	1288	1288	
		6845 Number of Road Offense Tickets issued within Senqu Municipality to road users	1369	1369	1369	1369	1369	
		235 vehicles tested for roadworthiness in Barkly East	47	47	47	47	47	
		452 vehicles registered annually	452	452	452	452	452	
		4874 Vehicles licenced annually	4874	4874	4874	4874	4874	
		2573 tested on drivers licence annually	2573	2573	2573	2573	2573	

area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/18	YEAR UNDER REVIEW 2018/2019	2019/20	2020/21	2021/22	
KPA 1: BASIC SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT (cont.)								
ROADS, BRIDGES, STORMWATER AND TRANSPORT INFRASTRUCTURE- BSD02	To provide sustainable infrastructure development by building and maintaining access roads, bridges and storm water	1 annual implemented access road maintenance plan	1 annual implemented access road maintenance plan	1 annual implemented access road maintenance plan	1 annual implemented access road maintenance plan	1 annual implemented access road maintenance plan	1 annual implemented access road maintenance plan	Technical Services
		Construction of roads and stormwater in annually identified wards as per the budget & Capital Investment Plan	No of km: Paved & gravel Roads No of km of stormwater	No of km: Paved & gravel Roads No of km of stormwater	No of km: Paved & gravel Roads No of km of stormwater	No of km: Paved & gravel Roads No of km of stormwater	No of km: Paved & gravel Roads No of km of stormwater	
		Construction of pedestrian and vehicle bridges in annually identified wards as per the budget & Capital Investment Plan	No of bridges:	No of bridges	No of bridges	No of bridges	No of bridges	
		Construction of speed control humps in identified area		Construction of 3 speed control humps in Rhodes Construction of 10 speed control humps in Lady Grey				

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/18	YEAR UNDER REVIEW 2018/2019	2019/20	2020/21	2021/22	
KPA 1: BASIC SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT (cont.)								
ROADS, BRIDGES, STORMWATER AND TRANSPORT INFRASTRUCTURE - BSD02	To provide sustainable infrastructure development by building and maintaining access roads, bridges and storm water	Establish a roads & storm water master plan		Appointment of PSP for Roads & storm water master plan	Continued appointment until completion			Technical services
		Start process of registered borrow pits				Continued PSP appointment for borrow pits	Continued PSP appointment for borrow pits	
INDOOR RECREATIONAL COMMUNITY FACILITIES - BSD03	To ensure effective management and maintenance of indoor recreational community facilities	All wards to have 1 central indoor recreational facility and maintenance of existing facilities	1 new hall and maintenance and upgrading of existing facilities	Maintenance and upgrading of existing facilities	maintenance and upgrading of existing facilities	maintenance and upgrading of existing facilities	maintenance and upgrading of existing facilities	Community Services & Technical services
CEMETERIES AND PAUPER BURIAL- BSD04	To ensure effective management, construction and maintenance of cemeteries and pauper burials	Construct 7 cemeteries	0	1	0	3	3	
		Maintain cemeteries as per the maintenance plan	Maintained cemeteries	Maintained cemeteries	Maintained cemeteries	Maintained cemeteries	Maintained cemeteries	
		Facilitate Pauper burials as and when required	No of pauper burials	No of pauper burials	No of pauper burials	No of pauper burials	No of pauper burials	

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/18	YEAR UNDER REVIEW 2018/2019	2019/20	2020/21	2021/22	
KPA 1: BASIC SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT (cont.)								
SPORTS BSD05	To construct, maintain, identify, establish and upgrade existing urban sportsfield	1 annually implemented municipal sportsfield maintenance plan	No of sportsfields maintained	No of sportsfields maintained	No of sportsfields maintained	No of sportsfields maintained	No of sportsfields maintained	Community Services
		Develop 1 central sportsfield by 2021/2022					Bluegums	
		Municipal sports audit on utilised sportsfields in rural areas		Municipal sports audit				
LIBRARIES – BSD06	To provide library services to all residents	All urban areas to have well maintained libraries with staff	Quarterly reports on individual libraries regarding usage	Quarterly reports on individual libraries regarding usage	Quarterly reports on individual libraries regarding usage	Quarterly reports on individual libraries regarding usage	Quarterly reports on individual libraries regarding usage	

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/18	YEAR UNDER REVIEW 2018/2019	2019/20	2020/21	2021/22	
KPA 1: BASIC SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT (cont.)								
PARKS AND PUBLIC OPEN SPACES - BSD07	To create a healthy and sustainable environment by maintaining and developing public open spaces	To develop and maintain parks and caravan parks through an annual maintenance plan	No of parks maintained No of caravan parks	No of parks maintained No of caravan parks	No of parks maintained No of caravan parks	No of parks maintained No of caravan parks	No of parks maintained No of caravan parks	Community Services
		1 implemented annual operation plan by 30 September on greening, street sweeping and cutting of grass	1 implementation plan & quarterly implementation reports	1 implementation plan & quarterly implementation reports	1 implementation plan & quarterly implementation reports	1 implementation plan & quarterly implementation reports	1 implementation plan & quarterly implementation reports	

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/18	YEAR UNDER REVIEW 2018/2019	2019/20	2020/21	2021/22	
KPA 1: BASIC SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT (cont.)								
LICENSING AND CONTROL OF ANIMALS - BSD08	To maintain and control the municipal commonage	No municipal commonage to exceed its annual animal carrying capacity as per the adopted commonage management plan	No of animals as per the commonage management plan	No of animals as per the commonage management plan	No of animals as per the commonage management plan	No of animals as per the commonage management plan	No of animals as per the commonage management plan	Community Services
		Fenced camps and constructed water points as per the commonage management plan annual implementation plan	1 Annual Commonage management plan implementation plan adopted by 31 August. Quarterly implementation reports	1 Annual Commonage management plan implementation plan adopted by 31 August. Quarterly implementation reports	1 Annual Commonage management plan implementation plan adopted by 31 August. Quarterly implementation reports	1 Annual Commonage management plan implementation plan adopted by 31 August. Quarterly implementation reports	1 Annual Commonage management plan implementation plan adopted by 31 August. Quarterly implementation reports	
	To maintain and effectively operate the pounds	1 constructed, functional and compliant central municipal pound in Lady Grey			Construction of Pound in lady Grey	Quarterly Lady Grey pound reports	Quarterly Lady Grey pound reports	Community Services with Technical Services
		Upgrading of animal collection points in Barkly East, Rhodes and Sterkspruit			Upgrading of Lady Grey Pound	Upgrading of Sterkspruit animal collection point		Community Services

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/18	YEAR UNDER REVIEW 2018/2019	2019/20	2020/21	2021/22	
KPA 1: BASIC SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT (cont.)								
WASTE MANAGEMENT BSD 09	To improve the quality of life for residents by increasing the % of households receiving basic refuse collection	Increase h/hold refuse collection in all urban areas through annual operational plan	Increase h/hold refuse collection in all urban areas through annual operational plan	Increase h/hold refuse collection in all urban areas through annual operational plan	Increase h/hold refuse collection in all urban areas through annual operational plan	Increase h/hold refuse collection in all urban areas through annual operational plan	Increase h/hold refuse collection in all urban areas through annual operational plan	Community Services
	To reduce waste through awareness campaigns	Quarterly waste education and awareness campaigns in a community. (4 per year)	4 waste education and awareness campaigns	4 waste education and awareness campaigns	4 waste education and awareness campaigns	4 waste education and awareness campaigns	4 waste education and awareness campaigns	
	To effectively manage and reduce waste	2 Operational Weighbridges at landfill sites in Lady Grey & Barkly East to indicate amount and type of waste.	Quarterly reports on weighbridge operations	Quarterly reports on weighbridge operations	Quarterly reports on weighbridge operations	Quarterly reports on weighbridge operations	Quarterly reports on weighbridge operations	
		Construction of 4 solid waste sites, upgrading of 1 site, closure of 2 sites, 2 lined sites in BE & LG in accordance with NEMWA	2 lined sites in BE & LG in accordance with NEMWA	Start Construction on Herschel, Rhodes & Rossouw sites Complete Start lining of Lady Grey and Barkly East SWS.	Complete construction of Herschel & Rossouw sites Start construction of new SWS for Sterkspruit Begin closure process of Sterkspruit old SWS	Completion of Rhodes SWS Completion of new SWS for Sterkspruit Complete closure of old Sterkspruit SWS Planning for closure of old Rhodes SWS	Completion of Rhodes SWS closure Completion of Rhodes SWS closure	Community Services & Technical Services

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/18	YEAR UNDER REVIEW 2018/2019	2019/20	2020/21	2021/22	
KPA 1: BASIC SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT (cont.)								
FREE BASIC SERVICES BSD10	That all registered indigent households receive free basic electricity and refuse removal	Compilation of an indigent register and annual updating of the indigent register through the B\FBS Indigent Committee by 15 December	Data Collected & captured	Data updated	Data updated	Data updated	Data updated	Finance
		Annually report on the % of households earning less than 2 state pensions with access to free basic electricity of 50 kw per month and refuse removal by 30 June	Annual report	Annual report	Annual report	Annual report	Annual report	
ELECTRICITY AND STREET LIGHTING BSD11	To maintain the existing electrical infrastructure through replacement of outdated equipment and installation of new equipment in order to reduce losses and ensure compliance	Installation of AMI meter system, upgrading of distribution networks, maintenance on infrastructure and street lighting. Installation and replacement of 485 fittings	Replace electrical meters and a conductor Install new fittings	Replace electrical meters and a conductor Install new fittings	Replace electrical meters and a conductor Install new fittings	Replace electrical meters and a conductor Install new fittings	Replace electrical meters and a conductor Install new fittings	Technical Services

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/18	YEAR UNDER REVIEW 2018/2019	2019/20	2020/21	2021/22	
KPA 1: BASIC SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT (cont.)								
ELECTRICITY AND STREET LIGHTING BSD11	To reduce Senqu electricity backlogs by assisting Eskom with electrification of rural areas as identified by Council.	690 rural connections	R 5 000 000 approved by DoE for pre-engineering & construction (323 new connections in wards 2 &3)	Pre-engineering & Construction (DoE dependent)	Pre-engineering & Construction (DoE dependent)	Pre-engineering & Construction (DoE dependent)	Pre-engineering & Construction (DoE dependent)	Technical Services
OFFICE SPACE BDS12	To provide office space and parking by building new offices and renovating existing buildings	Construction of parking bay in Lady Grey	Construction completion for parking bay	Construction for LG Reports on Implementation of annual maintenance plan	Completion for LG Reports on Implementation of annual maintenance plan	Reports on Implementation of annual maintenance plan	Reports on Implementation of annual maintenance plan	Corporate Services & Technical Services
		Renovation of 2 nd Floor Offices in LG						
LICENSING OF BUSINESSES BSD 13	To ensure that all businesses operating in the Municipality have licences and are operating according to legislation by 2022	Annual audit of businesses in urban areas by 30 June	Annual audit of businesses in urban areas by 30 June	Annual audit of businesses in urban areas by 30 June	Annual audit of businesses in urban areas by 30 June	Annual audit of businesses in urban areas by 30 June	Annual audit of businesses in urban areas by 30 June	Community Services
		Demarcation of informal trading areas in Sterkspruit by 30 June 2020	*	*	Demarcation of informal trading areas in Sterkspruit by 30 June 2020	*	*	

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/18	YEAR UNDER REVIEW 2018/2019	2019/20	2020/21	2021/22	
PRE-SCHOOLS BSD 14	To construct pre-schools in accordance of a Municipal conducted Audit on usage and maintenance of facilities	Municipal Audit on pre-schools conducted	Undertake municipal audit					Community Services
KPA 2: LOCAL ECONOMIC DEVELOPMENT								
TOURISM LED 01	To promote responsible tourism, arts and heritage through continued support to local initiatives	1 Reviewed and implemented tourism plan	Reviewed tourism plan by 30 June 2018	Signage of tourism sites, marketing, support of local events and improving tourism infrastructure	Signage of tourism sites, marketing, support of local events and improving tourism infrastructure	Signage of tourism sites, marketing, support of local events and improving tourism infrastructure	Signage of tourism sites, marketing, support of local events and improving tourism infrastructure	D & TPS
LED 02	To promote and attract development in the local economy through implementation of the LED strategy	1 Reviewed and implemented LED strategy	Reviewed LED strategy plan by 30 June 2018	No of jobs created through the LED initiatives including capital projects (250) i.e. EPWP & CWP	No of jobs created through the LED initiatives including capital projects (250) i.e. EPWP & CWP	No of jobs created through the LED initiatives including capital projects (250) i.e. EPWP & CWP	No of jobs created through the LED initiatives including capital projects (250) i.e. EPWP & CWP	
				4 meetings with LED structures	4 meetings with LED structures	4 meetings with LED structures	4 meetings with LED structures	
				Quarterly reporting on 30 % of all infrastructure projects to go to SMMES through sub-contractors & buying of products	Quarterly reporting on 30 % of all infrastructure projects to go to SMMES through sub-contractors & buying of products	Quarterly reporting on 30 % of all infrastructure projects to go to SMMES through sub-contractors & buying of products	Quarterly reporting on 30 % of all infrastructure projects to go to SMMES through sub-contractors & buying of products	All

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/18	YEAR UNDER REVIEW 2018/2019	2019/20	2020/21	2021/22	
KPA 3: LOCAL MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY								
SUPPLY CHAIN MANAGEMENT (ADMINISTRATION AND REPORTING) – MFMV01	To ensure the efficient and effective procurement of goods and services	To ensure that bid committees’ function in accordance with SCM legislation	Quarterly reports on bid committee functionality	Quarterly reports on bid committee functionality	Quarterly reports on bid committee functionality	Quarterly reports on bid committee functionality	Quarterly reports on bid committee functionality	Finance
		Legislative compliance of supply chain management	Quarterly reports	Quarterly reports	Quarterly reports	Quarterly reports	Quarterly reports	
		1 roadshow a year in LG, Sterkspruit & BE	Annual roadshow in LG, BE & Sterkspruit	Annual roadshow in LG, BE & Sterkspruit	Annual roadshow in LG, BE & Sterkspruit	Annual roadshow in LG, BE & Sterkspruit	Annual roadshow in LG, BE & Sterkspruit	
		Annual stock count report to CFO.	Annual stock count.	Annual stock count.	Annual stock count.	Annual stock count.	Annual stock count.	
ASSET MANAGEMENT- MFMV02	To ensure monitoring of Municipal Assets per Department through regular asset checks and reporting	Annual asset count & fleet management report. Quarterly Departmental stock counts undertaken by departmental staff and reported to Department Directors	Annual asset count & fleet management report. Quarterly Departmental asset counts undertaken by departmental staff	Annual asset count & fleet management report. Quarterly Departmental asset counts undertaken by departmental staff	Annual asset count & fleet management report. Quarterly Departmental asset counts undertaken by departmental staff	Annual asset count & fleet management report. Quarterly Departmental asset counts undertaken by departmental staff	Annual asset count & fleet management report. Quarterly Departmental asset counts undertaken by departmental staff	Finance
		Fully GRAP Compliant Asset register	Fully GRAP Compliant Asset register				Development of asset management plan	

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/18	YEAR UNDER REVIEW 2018/2019	2019/20	2020/21	2021/22	
KPA 3: LOCAL MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY (CONT.)								
ASSET MANAGEMENT- MFMV02	To ensure monitoring of Municipal Assets per Department through regular asset checks and reporting (cont.)	Annual insurance portfolio update and monthly claim reports	Monthly reports of claims to CFO	Monthly reports of claims to CFO	Monthly reports of claims to CFO	Monthly reports of claims to CFO	Monthly reports of claims to CFO	
		Updated asset management plan by 30 June	Updated asset management plan by 30 June	Updated asset management plan by 30 June	Updated asset management plan by 30 June	Updated asset management plan by 30 June	Updated asset management plan by 30 June	
		Annual disposal sale by May	Annual disposal sale by May	Annual disposal sale by May	Annual disposal sale by May	Annual disposal sale by May	Annual disposal sale by May	
FINANCIAL MANAGEMENT - MFMV03	To annually assess and report on the % of the budget spent on implementing its WSP and financial viability as expressed by the following ratios: A(debt coverage) = B (total op rev received) - C (op grants) divided by D (debt service payment due within the FY) A (outstanding service debtors to revenue) = B (total outstanding debt) divided by C(actual rev received for services) A (cost coverage) = B (all available cash at a particular time) + C (investments) divided by D (Monthly fixed opl expenditure)	Annual report on financial ratios and norms by Q3 for previous year	Annual report on financial ratios and norms by Q3 for previous year	Annual report on financial ratios and norms by Q3 for previous year	Annual report on financial ratios and norms by Q3 for previous year	Annual report on financial ratios and norms by Q3 for previous year	Annual report on financial ratios and norms by Q3 for previous year	Finance

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/18	YEAR UNDER REVIEW 2018/2019	2019/20	2020/21	2021/22	
KPA 3: LOCAL MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY (CONT.)								
FINANCIAL MANAGEMENT - MFMV03	To annually report on the % of the Municipality's budget actually spent on capital projects identified a particular financial year in terms of the Municipality's IDP	Annual report by CFO	Annual report by CFO	Annual report by CFO	Annual report by CFO	Annual report by CFO	Annual report by CFO	

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/18	YEAR UNDER REVIEW 2018/2019	2019/20	2020/21	2021/22	
KPA 3: LOCAL MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY (cont.)								
FINANCIAL MANAGEMENT - MFMV03	To expand and protect the municipal revenue base by providing accurate bills for services rendered	All bills are accurate and delivered and processed monthly	Monthly processing and delivery of bills by 15th of following month	Monthly processing and delivery of bills by 15th of following month	Monthly processing and delivery of bills by 15th of following month	Monthly processing and delivery of bills by 15th of following month	Monthly processing and delivery of bills by 15th of following month	Finance
		All electricity meters in urban areas to be read 100 % by 30 of each month	All electricity meters in urban areas to be read 100 % by 30 of each month	All electricity meters in urban areas to be read 100 % by 30 of each month	All electricity meters in urban areas to be read 100 % by 30 of each month	All electricity meters in urban areas to be read 100 % by 30 of each month	All electricity meters in urban areas to be read 100 % by 30 of each month	
		Revenue enhancement strategy that will incorporate the moving of all residential customers and small business using below 60 Amp to prepaid	Adopted strategy	Moving all residential customers to prepaid including small businesses using below 60Amp	Implementation	Implementation	Implementation	
		To comply with the MFMA prescripts by submitting various documents such as the AFS	Submission of MFMA required documents timeously	Submission of MFMA required documents timeously	Submission of MFMA required documents timeously	Submission of MFMA required documents timeously	Submission of MFMA required documents timeously	
		Ensure financial viability by regular reports on the amount of expenditure on the capital and operational budget including conditional grants by 10th of following month on expenditure of capital and operational budget including grants	To report monthly by 10th of following month on expenditure of capital and operational budget including grants	To report monthly by 10th of following month on expenditure of capital and operational budget including grants	To report monthly by 10th of following month on expenditure of capital and operational budget including grants	To report monthly by 10th of following month on expenditure of capital and operational budget including grants	To report monthly by 10th of following month on expenditure of capital and operational budget including grants	

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/18	YEAR UNDER REVIEW 2018/2019	2019/20	2020/21	2021/22	
KPA 3: LOCAL MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY (cont.)								
FINANCIAL MANAGEMENT	To expand and protect the municipal revenue base by providing accurate bills for services rendered	To expand and protect the municipal revenue base by implementing the valuation roll and increasing % of actual revenue collected	Annual supplementary and develop valuation roll	Develop roll	Implement roll 1 July 2018/19 FY	Supplementary roll	Supplementary roll	Finance
		To expand and protect the municipal revenue base by increasing % of actual revenue collected to 95 %	95%	95%	95%	95%	95%	
		To decrease unauthorised, irregular, fruitless, wasteful expenditure and minor breaches through regular reporting	Decrease in unauthorised, irregular, fruitless, wasteful expenditure (Council Q) and minor breaches (MM) monthly	Quarterly reports	Quarterly reports	Quarterly reports	Quarterly reports	

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/18	YEAR UNDER REVIEW 2018/2019	2019/20	2020/21	2021/22	
KPA 3: LOCAL MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY (cont.)								
PAYROLL - MFMV04	To ensure good payroll management and implementation	All salaries paid timeously as per Council schedule	All salaries to be paid by the 1st of the following month	All salaries to be paid by the 1st of the following month	All salaries to be paid by the 1st of the following month	All salaries to be paid by the 1st of the following month	All salaries to be paid by the 1st of the following month	
BUDGET COMPIRATION - MFMV05	To ensure compliance with the MFMA and MSA requirements regarding the adjustment budget and annual budget development and submission requirements	Draft annual budget adopted by end March annually, final annual budget adopted by end May and adjustment by end February.	Draft annual budget adopted by end March annually, final annual budget adopted by end May and adjustment by end February.	Draft annual budget adopted by end March annually, final annual budget adopted by end May and adjustment by end February.	Draft annual budget adopted by end March annually, final annual budget adopted by end May and adjustment by end February.	Draft annual budget adopted by end March annually, final annual budget adopted by end May and adjustment by end February.	Draft annual budget adopted by end March annually, final annual budget adopted by end May and adjustment by end February.	
KPA 3: LOCAL MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY (cont.)								
REPORTING - MFMV06	To develop and submit S 71, S 72 & S 52 reports as per MFMA guidelines and prescripts	To develop and submit financial part of S 71, S 72 & S 52 reports as per MFMA guidelines and prescripts	To develop and submit financial part of S 71, S 72 & S 52 reports as per MFMA guidelines and prescripts	To develop and submit financial part of S 71, S 72 & S 52 reports as per MFMA guidelines and prescripts	To develop and submit financial part of S 71, S 72 & S 52 reports as per MFMA guidelines and prescripts	To develop and submit financial part of S 71, S 72 & S 52 reports as per MFMA guidelines and prescripts	To develop and submit financial part of S 71, S 72 & S 52 reports as per MFMA guidelines and prescripts	Finance

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/18	YEAR UNDER REVIEW 2018/2019	2019/20	2020/21	2021/22	
KPA 3: LOCAL MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY (cont.)								
IT - MFMV07	To ensure a continually secure, effective and efficient ICT service through implementation of ICT policies and plans and upgrading of ICT equipment	Reports if there is more than 3 hours of downtime on the primary domain controller, email server, financial server (EMS) and backup server	Reports	Reports	Reports	Reports	Reports	Finance
		Upgraded security of IT & server rooms and equipment including servers in all buildings	Procurement of server & reports	Reports	Reports	Reports	Reports	
		To ensure that disaster recovery plans are fully implemented	Reports	Reports	Reports	Reports	Reports	
SKILLS DEVELOPMENT - MTID01	To develop and implement an effective HR strategy	To align the HR strategy with the IDP priorities	Annual alignment of HR strategy with IDP priorities	Annual alignment of HR strategy with IDP priorities	Annual alignment of HR strategy with IDP priorities	Annual alignment of HR strategy with IDP priorities	Annual alignment of HR strategy with IDP priorities	Corporate Services
	To develop, adopt and implement the workplace skills plan (WSDP). To submit the skills plan and annual training report as legislated	To develop, adopt and implement the workplace skills plan (WSDP). To submit the skills plan and annual training report as legislated	To submit the skills plan and annual training report as legislated	To submit the skills plan and annual training report as legislated	To submit the skills plan and annual training report as legislated	To submit the skills plan and annual training report as legislated	To submit the skills plan and annual training report as legislated	

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/18	YEAR UNDER REVIEW 2018/2019	2019/20	2020/21	2021/22	
KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT								
EMPLOYMENT EQUITY - MTID02	To develop and implement the employment equity plan as per the set targets in accordance with the Employment Equity Act	To develop and implement the employment equity plan as per the set targets in accordance with the Employment Equity Act. To submit the annual report as legislated	Quarterly reports on EE plan implementation. Submission of annual report	Quarterly reports on EE plan implementation. Submission of annual report	Quarterly reports on EE plan implementation. Submission of annual report	Quarterly reports on EE plan implementation. Submission of annual report	Quarterly reports on EE plan implementation. Submission of annual report	Corporate Services
	No of people from employer equity target groups employed in the 3 highest levels of organogram in compliance with a municipal approved employment equity plan	No of people from employer equity target groups employed in the 3 highest levels of organogram in compliance with a municipal approved employment equity plan	Annual report on no of people from employer equity target groups employed in the 3 highest levels of organogram in compliance with a municipal approved employment equity plan	Annual report on no of people from employer equity target groups employed in the 3 highest levels of organogram in compliance with a municipal approved employment equity plan	Annual report on no of people from employer equity target groups employed in the 3 highest levels of organogram in compliance with a municipal approved employment equity plan	Annual report on no of people from employer equity target groups employed in the 3 highest levels of organogram in compliance with a municipal approved employment equity plan	Annual report on no of people from employer equity target groups employed in the 3 highest levels of organogram in compliance with a municipal approved employment equity plan	

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/18	YEAR UNDER REVIEW 2018/2019	2019/20	2020/21	2021/22	
KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT								
RECRUITMENT, SELECTION AND EMPLOYEE MANAGEMENT - MTID03	To ensure that the organisational structure of the Municipality is aligned to its present and future staffing needs and requirements	Annual review of organogram	Annual review of organogram	Annual review of organogram	Annual review of organogram	Annual review of organogram	Annual review of organogram	Corporate Services
	To ensure effective management of staff and policy and procedure processes through job descriptions, leave management and clock in systems	Effective implementation of HR policies such as leave	Quarterly reports on adherence to HR policies such as leave, recruitment etc	Quarterly reports on adherence to HR policies such as leave, recruitment etc	Quarterly reports on adherence to HR policies such as leave, recruitment etc	Quarterly reports on adherence to HR policies such as leave, recruitment etc	Quarterly reports on adherence to HR policies such as leave, recruitment etc	

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/18	YEAR UNDER REVIEW 2018/2019	2019/20	2020/21	2021/22	
KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT (cont.)								
EMPLOYEE WELLNESS PROGRAMME - MTID04	To ensure the physical and mental well-being of employees through the implementation of an employee wellness programme	Annual employee wellness programme by the end of Quarter 1	Annual employee wellness programme by the end of Quarter 1	Annual employee wellness programme by the end of Quarter 1	Annual employee wellness programme by the end of Quarter 1	Annual employee wellness programme by the end of Quarter 1	Annual employee wellness programme by the end of Quarter 1	Corporate Services
OCCUPATIONAL HEALTH AND SAFETY - MTID05	To ensure that all Senqu buildings and staff adhere to and implement OHS legislation	4 OHS meetings. Quarterly reports on adherence of staff and buildings to OHS. Annual OHS awareness campaign	4 OHS meetings. Quarterly reports on adherence of staff and buildings to OHS. Annual OHS awareness campaign	4 OHS meetings. Quarterly reports on adherence of staff and buildings to OHS. Annual OHS awareness campaign	4 OHS meetings on adherence of staff and meetings. Quarterly repo buildings to OHS. Annual OHS awareness campaign	4 OHS meetings. Quarterly reports on adherence of staff and buildings to OHS. Annual OHS awareness campaign	4 OHS meetings. Quarterly reports on adherence of staff and buildings to OHS. Annual OHS awareness campaign	Corporate Services

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/18	YEAR UNDER REVIEW 2018/2019	2019/20	2020/21	2021/22	
KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT (cont.)								
LOCAL LABOUR FORUM – MTID 06	To ensure a good relationship between management and employees through regular interactions on labour issues	Functional LLF meetings quarterly	Functional LLF meetings quarterly	Functional LLF meetings quarterly	Functional LLF meetings quarterly	Functional LLF meetings quarterly	Functional LLF meetings quarterly	Corporate Services
LEGAL SERVICES – 07	To ensure that the Municipality implements sound management controls in order to mitigate against unnecessary litigation	Annual report on the status of municipal lease agreements & litigation	Annual report on the status of municipal lease agreements & litigation	Annual report on the status of municipal lease agreements & litigation	Annual report on the status of municipal lease agreements & litigation	Annual report on the status of municipal lease agreements & litigation	Annual report on the status of municipal lease agreements & litigation	Corporate Services
POLICIES AND BY-LAWS - MTID 08	To review and implement departmental policies, procedures, procedure manuals and bylaws annually	Annual review of identified municipal policies, bylaws, procedures and procedure manuals annually by the end of Quarter 4	Annual review of identified municipal policies, bylaws, procedures and procedure manuals annually by the end of Quarter 4	Annual review of identified municipal policies, bylaws, procedures and procedure manuals annually by the end of Quarter 4	Annual review of identified municipal policies, bylaws, procedures and procedure manuals annually by the end of Quarter 4	Annual review of identified municipal policies, bylaws, procedures and procedure manuals annually by the end of Quarter 4	Annual review of identified municipal policies, bylaws, procedures and procedure manuals annually by the end of Quarter 4	Corporate Services & DTPS

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/18	YEAR UNDER REVIEW 2018/2019	2019/20	2020/21	2021/22	
KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT (cont.)								
BUILDINGS - MTID 09	To ensure that municipal buildings and assets are maintained and secured	Development of annual maintenance plan by 30 August and quarterly implementation reports	Development of annual maintenance plan by 30 August and quarterly implementation reports	Development of annual maintenance plan by 30 August and quarterly implementation reports	Development of annual maintenance plan by 30 August and quarterly implementation reports	Development of annual maintenance plan by 30 August and quarterly implementation reports	Development of annual maintenance plan by 30 August and quarterly implementation reports	Corporate Services
RECORDS MANAGEMENT - MTID10	To ensure that Municipal information is kept secure and filed and archived according to legislation	Fully functional document system by 2022	Document system	Document system	Document system	Document system	Document system	Corporate Services
PERFORMANCE MANAGEMENT AND REPORTING - MTID11	To ensure that a system of departmental and individual performance management system is implemented	An implemented system of departmental and individual performance management system in implemented by 2022	Implemented PMS	Implemented PMS	Implemented PMS	Implemented PMS	Implemented PMS	D & TPS

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/18	YEAR UNDER REVIEW 2018/2019	2019/20	2020/21	2021/22	
KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT (cont.)								
SPATIAL PLANNING - MTID12	TO implement SPLUMA regulations	Implemented adopted SPLUMA schedule						D & TPS
	To ensure adherence to town planning and building control legislation	Implemented town planning and building control legislation						
		Land invasion strategy & implementation thereof						
	To manage urbanisation of existing urban areas	To extend town boundaries to incorporate former communal villages to increase the rate base (Vision 2030)						

Focus area and IDP No	Strategic Objective	New 5-year Target	Annual Goals					Responsible Department
			2017/18	YEAR UNDER REVIEW 2018/2019	2019/20	2020/21	2021/22	
KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT (cont.)								
INTEGRATED DEVELOPMENT PLANNING - MTID13	To ensure development and adoption of the IDP and budget process plan and IDP s per legislated timeframes	Adopted IDP and budget process plan and reviewed IDP	Adopted IDP and budget process plan and reviewed IDP	Adopted IDP and budget process plan and reviewed IDP	Adopted IDP and budget process plan and reviewed IDP	Adopted IDP and budget process plan and reviewed IDP	Adopted IDP and budget process plan and reviewed IDP	D & TPS
	To co-ordinate meetings of the IPPF and IDP and Budget steering committee Meetings	Quarterly meetings of IPPF and IDP & budget Steering Committee Meetings	Quarterly meetings of IPPF and IDP & budget Steering Committee Meetings	Quarterly meetings of IPPF and IDP & budget Steering Committee Meetings	Quarterly meetings of IPPF and IDP & budget Steering Committee Meetings	Quarterly meetings of IPPF and IDP & budget Steering Committee Meetings	Quarterly meetings of IPPF and IDP & budget Steering Committee Meetings	
PMU REPORTING MTID14	To ensure capital infrastructure management and reporting	To ensure capital infrastructure management, implementation and reporting	Annual reporting on the MIG expenditure	Ongoing	Ongoing	Ongoing	Ongoing	Technical services
HOUSING MTID15	To ensure equitable access to housing for communities	To review and implement the housing sector plan by 30 June 2018	Housing sector plan					D & TPS
		Develop and implement a strategy on accreditation for the housing unit by 30 June 2020			Develop and implement a strategy on accreditation for the housing unit by 30 June 2020			
		To develop a strategy for bulk infrastructure for the development of integrated human settlements by 30 June 2019		Bulk infrastructure plan				

Focus area and IDP No	Strategic Objective	5-year Target	Annual Goals					Responsible Department
			2017/18	YEAR UNDER REVIEW 2018/2019	2019/20	2020/21	2021/22	
KPA 5: PUBLIC PARTICIPATION & GOOD GOVERNANCE								
RISK & FRAUD PREVENTION GGPP01	To promote and instil good governance practices within Senqu municipality	Developed and implemented departmental risk action plans including quarterly risk reports						D & TPS
		Implemented fraud prevention policy						
COMPLIANCE GGPP02	To ensure compliance with all legislated deadlines such as MFMA & MSA, mSCOA regulations, IDP and budget dates	Developed annual compliance register						D & TPS
OVERSIGHT - GGPP03	To ensure quarterly sittings of MPAC and the Audit and Performance Committee and the annual preparation of an annual oversight report	Quarterly sittings of MPAC and the Audit and Performance Committee and the annual preparation of an annual oversight report by end of March						Office of the MM
	To ensure that Council, Exco and Top Management meetings are held regularly and that resolutions are implemented.	Quarterly sitting of Council, monthly sitting of Ex-Co, Quarterly Top Management & Quarterly Broad Management with tracked resolutions						Corporate Services

Focus area and IDP No	Strategic Objective	5-year Target	Annual Goals					Responsible Department
			2017/18	YEAR UNDER REVIEW 2018/2019	2019/20	2020/21	2021/22	
KPA 5: PUBLIC PARTICIPATION & GOOD GOVERNANCE								
OVERSIGHT - GGPP03	To ensure good governance through the monitoring of the implementation of the OPCAR and Audit action plan	Annual development and implementation of the audit action plan & dashboard						Office of the MM & DTPS
		Annual development and implementation of an OPCAR						Finance
CUSTOMER CARE & PUBLIC PARTICIPATION GGPP04	To promote interactive communication with customers around service delivery issues	4 quarterly meetings of ward committees & 4 IPPF meetings	4 quarterly meetings of ward committees & 4 IPPF meetings	4 quarterly meetings of ward committees & 4 IPPF meetings	4 quarterly meetings of ward committees & 4 IPPF meetings	4 quarterly meetings of ward committees & 4 IPPF meetings	4 quarterly meetings of ward committees & 4 IPPF meetings	Corporate Services
		Implemented computerised customer care compliant system by 30 June 2018 and annual customer satisfaction surveys	Implemented computerised customer care compliant system by 30 June 2018	Annual customer levels of satisfaction external service provider	Annual customer levels of satisfaction external service provider	Annual customer levels of satisfaction external service provider	Annual customer levels of satisfaction external service provider	
	To ensure regular participation of the public and interaction with the public through the public participation plan, Imbizos and meetings such as IPPF etc	Annual adopted annual public participation plan by December. Annual update of stakeholder register. 4 IPPF & 2 outreaches. Mayoral budget speech	Annual adopted annual public participation plan by December. Annual update of stakeholder register. 4 IPPF & 2 outreaches. Mayoral budget speech	Annual adopted annual public participation plan by December. Annual update of stakeholder register. 4 IPPF & 2 outreaches. Mayoral budget speech	Annual adopted annual public participation plan by December. Annual update of stakeholder register. 4 IPPF & 2 outreaches. Mayoral budget speech	Annual adopted annual public participation plan by December. Annual update of stakeholder register. 4 IPPF & 2 outreaches. Mayoral budget speech	Annual adopted annual public participation plan by December. Annual update of stakeholder register. 4 IPPF & 2 outreaches. Mayoral budget speech	

Focus area and IDP No	Strategic Objective	5-year Target	Annual Goals					Responsible Department
			2017/18	YEAR UNDER REVIEW 2018/2019	2019/20	2020/21	2021/22	
KPA 5: PUBLIC PARTICIPATION & GOOD GOVERNANCE (cont.)								
MAINSTREAMING - GGPP05	To promote the mainstreaming and upliftment of HIV and AIDS, women and children, youth, people with disabilities and the elderly into municipal Socio-Economic Programmes and Projects	4 awareness campaigns, monthly condom distribution,4 LAC meetings. Reviewal of strategy	Reviewal of strategy	4 awareness campaigns, monthly condom distribution,4 LAC meetings. Reviewal of strategy	4 awareness campaigns, monthly condom distribution,4 LAC meetings. Reviewal of strategy	4 awareness campaigns, monthly condom distribution,4 LAC meetings. Reviewal of strategy	4 awareness campaigns, monthly condom distribution,4 LAC meetings. Reviewal of strategy	Corporate Services
		4 youth meetings, 4 women meetings and 4 elderly meetings	4 youth meetings, 4 women meetings and 4 elderly meetings	4 youth meetings, 4 women meetings and 4 elderly meetings	4 youth meetings, 4 women meetings and 4 elderly meetings	4 youth meetings, 4 women meetings and 4 elderly meetings	4 youth meetings, 4 women meetings and 4 elderly meetings	
		Annual Mayoral cup to develop sport in the Municipality and annual Youth Festival to promote community cohesion	Annual mayor cup to be held by 30 June	Annual mayor cup to be held by 30 June	Annual mayor cup to be held by 30 June	Annual mayor cup to be held by 30 June	Annual mayor cup to be held by 30 June	
			Annual Youth festival to be held by end of September	Annual Youth festival to be held by end of September	Annual Youth festival to be held by end of September	Annual Youth festival to be held by end of September	Annual Youth festival to be held by end of September	Office of the MM
COMMUNICATIONS & MARKETING, GGPP06	To ensure that the communication strategy is implemented so that the public are kept informed about municipal activities and programmes	Development of social media platforms and a policy by June 2018						
		Update & maintain the Municipal website so it is complaint and user friendly						
		4 stakeholder engagements a month, 16 radio engagements per year and 4 media opinion pieces	4 stakeholder engagements a month, 16 radio engagements per year and 4 media opinion pieces	4 stakeholder engagements a month, 16 radio engagements per year and 4 media opinion pieces	4 stakeholder engagements a month, 16 radio engagements per year and 4 media opinion pieces	4 stakeholder engagements a month, 16 radio engagements per year and 4 media opinion pieces	4 stakeholder engagements a month, 16 radio engagements per year and 4 media opinion pieces	

Disclaimer: The information provided within this component J is as provided / extracted from the IDP. The co-ordinators of said reports/document are reliant on the accuracy of all information in the Municipalities documents (as reviewed /approved). In instances where information is found to be lacking or inadequate - the co – ordinators that consolidated the information can only with the information provided to them.

Chapter 4



ORGANIZATIONAL DEVELOPMENT PERFORMANCE

(PERFORMANCE REPORT PART
2)

2018 /2019

Senqu Municipality

Chapter 4

ORGANISATIONAL DEVELOPMENT PERFORMANCE: (PERFORMANCE REPORT PART 2)

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 INTRODUCTION

Performance management and ultimately performance optimization are critical factors in ensuring that the organization is able to meet its strategic and day to day operational objectives. Senqu Municipality engages in all reasonable efforts to ensure that it is able to meet both the IDP objectives and day to day operational needs. This is achieved by ensuring that it has all required resources at its disposal in order to achieve desired outcomes.

To this end political and administrative infrastructure support is required in order to ensure that staff and relevant departments function optimally. This is achieved by ensuring that appropriate policies, procedures, human resources, financial resources and operational resources and infrastructure are made available. In addition, all legislative issues of compliance are adhered to – relating to Recruitment, Employment Equity, Skills and the like).

Careful monitoring is undertaken in order to ensure that all aspects of staff recruitment, selection, appointment and retention are handled correctly and strictly in accordance with stated policy, procedures and legislation. Effective employee relations is maintained and enhanced where possible by ensuring that: staffing is managed effectively; labour is managed by engaging in effective employment practices; staff are trained and developed according to structured needs; optimal organizational structures are developed and job descriptions for all posts are developed in accordance with the principles of correct division of work and the manner in which performance will be monitored.

4.2 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

EMPLOYEE TOTALS					
Description	Year June 2018	Year June 2018/2019			
	Employees No.	Approved Posts No.	Employees No.	Vacancies No. (funded)	Vacancies %
Municipal Manager	8	9	8	1	0.35
Human Resource	6	6	9	8	1
Admin & Council Support	16	17	6	6	0
IGR/ Stakeholder Engagement	8	9	17	17	0
Roads & Stormwater	36	37	9	9	0
Fleet	1	1	1	0	0
Housing	5	6	6	0	0
PMU	4	5	4	1	0.35
Governance & Compliance	5	5	5	0	0
Local Economic Development & Planning	3	3	3	0	0
Communications	2	2	2	0	0
Community & Social service	34	35	33	2	0.70
Electricity	14	17	17	0	0
Budget & Treasury	4	3	3	0	0
Information Technology	3	3	3	0	0
Traffic	14	10	8	2	0.70
Supply Chain & Expenditure	13	16	15	1	0.35
Revenue	9	17	17	0	0
Waste Management	70	71	70	1	0.35
Technical: Administration	1	1	1	0	0
Department Coordinators	3	4	4	0	0
Section 56 & MM	6	6	2	4	1.41
Totals	265	283	269	14	4.91

EMPLOYEE VACANCIES (Continued)

EMPLOYEE VACANCIES						
Task / Job Level	June 2018		June 2018/2019			
	Employees No	Posts	Employees	Posts (Funded)	Vacancies Full time equivalent funded posts	Vacancies as % of total posts
0-2	104		95	93	2	0.70
3	13		26	25	1	0.35
4	4		3	3	0	0
5	6		6	6	0	0
6	24		36	33	3	1.06
7	25		20	20	0	0
8	2		5	5	0	0
9	9		11	11	0	0
10	14		13	12	1	0.35
11	21		21	21	0	0
12	10		12	12	0	0
13	7		7	6	1	0.35
14	3		4	4	0	0
15	4		4	4	0	0
16	5		6	5	1	0.35
17			1	0	1	0.35
18	6		6	6	0	0
19	1		1	1	0	0
20						
21						
22						
23						
Section 56	6		6	2	4	1.41
TOTAL	265		283	269	14	4.91

EMPLOYEE VACANCY AND TURNOVER RATE (Continued)

VACANCY RATE: YEAR AS AT JUNE 2019			
Designations	*Total Approved Posts	*Vacancies (total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	0	0
Chief Financial Officer (CFO)	1	0	0
Other s56 Managers	4	4	0
levels 16-25 (excluding Finance posts)	11	1	0.35
levels 16-25 (Finance posts only)	3	1	0.35
levels 13-15 (excluding Finance posts)	10	1	0.35
levels 13-15 (Finance posts only)	5	0	0
levels 9-12 (excluding Finance posts)	42	1	0.135
Levels 9-12 (Finance posts only)	15	0	0
Levels 4- 8	70	3	1.06
Levels 1-3	121	3	1.06
Other (Finance Only)			
Total	283	14	4.91

TURN-OVER RATE			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
July 2018 to June 2019	283	14	4.91%
July 2017 to June 2018	265	13	4.9%
July 2016 to June 2017	234	9	3.8%
July 2015 to June 2016	225	15	6.7%

Within this area of planning and control it must be noted that within both financial years Senqu

Municipality has performed exceptionally well as detailed below:

- During 2015/2016: 97.95% of all funded posts were filled;
- During 2016/2017: 96.29% of all funded posts were filled;
- During 2017/2018: 96.01% of all funded posts were filled; and
- During 2018/2019: 98 % of all funded posts were filled.

Staff Establishment Figures:

2017/2018				2018/2019			
Total No. of posts on organogram	Filled posts	Funded & Vacant	Unfunded & Vacant	Total No. of posts on organogram	Filled posts	Funded & Vacant	Unfunded & Vacant
316	265	11	40	326	283	14	43

The table below details the approved, filled and vacant funded posts within Senqu Municipality for 2018/2019 (current year):

Approved and Funded Posts in the entire Institution	Number of Employment Contracts and Performance Agreements	Filled Posts	Total Number of Vacant funded posts in the Entire Institution	Total Number of Vacant <u>unfunded</u> posts in the Entire Institution
297	7	283	14	43

The table below details the approved, filled and vacant funded posts within Senqu Municipality for 2017/2018:

Approved and Funded Posts in the entire Institution	Number of Employment Contracts and Performance Agreements	Filled Posts	Total Number of Vacant funded posts in the Entire Institution	Total Number of Vacant <u>unfunded</u> posts in the Entire Institution
276	7	265	11	40

4.2.1 Organization Structure

The municipality has a total of 326 posts on its organogram. 283 posts have been filled and 14 funded positions remain vacant. There are 43 unfunded and vacant positions. An analysis of posts during the year under review provides the following detail:

Organizational Structure (2018/2019)

Department / Function	Posts Filled	Posts Funded But Vacant	Posts Unfunded	Total Number of Posts
Council and Executive	11	1	0	11
Corporate & Support Service	34	1	1	36
Budget & Treasury Service	39	2	5	46
Community & Social Service	124	7	33	164
Technical & Engineering Service	59	3	3	65
Planning and Development	16	0	1	17
Total	283	14	43	326
Percentage (against total no. of posts)				

Staff appointments during this time: 13

Staff terminations: 6

4.2.2 Levels of education and skills (2014/2015 - 2017/2018)

Period	Total Number of Staff	Number of Staff Without Grade 12	Number of Staff With Senior Certificate Only	Number of Staff With Tertiary/Accredited Professionals Training
2015/2016	241	98	58	69
2016/2017	236	78	52	106
2017/2018	265	141	41	129
2018/2019	283	141	41	101

4.2.3 Comment on Vacancies and Turnover

It must be noted that the turnover rate moved from 4.9% to 00%. Staff appointments moved from 311 to 270. During the year under review an additional 13 appointments were made. The 6 terminations are detailed as follows: 1 x resignations, 4 x deceased, 00 x retirements and 1 x dismissal.

4.2.4 Employment Equity Statistics:

This reflects the following target groups i.e. staff employed in the three highest levels of management in compliance with the Municipality's approved Employment Equity Plan (2017/2018)

Occupational Levels	Male				Female				TOTAL
	A	C	I	W	A	C	I	W	
Legislators	20				14				34
Top Management	2	1		1	2				6
Senior Management Targets		1						1	2
Senior Management Targets Met – June 2018	5	1		2	5	1		2	17
Professionally Qualified and Experienced Specialists and Mid Management		1			1	1			3
Professionally Qualified and Experienced Specialists and Mid Management met – June 2018	19	1		17	3				40
Skilled Technical and Academically Qualified Workers		1				1			2
Skilled Technical and Academically Qualified Workers Target met – June 2018	14				4				18

Despite notable successes, the scarcity of skills challenge remains. More specifically it is noted that:

- There is an under-representation within the category of the disabled, but this issue must be understood within its particular context. This situation is to a large extent due to factors beyond one's control. In many instances efforts to recruit and select the right candidates are hampered by the fact that those applying for a post, may not meet the Employment Equity criteria/are not from the designated /targeted groups within the labour market. In these instances, there is little one can do aside from marketing to these groups and attempting to recruit by using more attractive remuneration packages; and
- It is well known and accepted that the geographical location and the rural nature of the municipality often in itself presents a challenge, in terms of influencing whether candidates will apply to the organization and whether the organization and/or the geographical location will meet their specific needs or not.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.3 INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The management and control of the Municipal Workforce is governed and defined by the Labour Relations Act; the Basic Conditions of Employment Act; the Employment Equity Act; the Municipal Finance Management Act; the Internal Disciplinary Policy and Procedures; the Performance Management Policy and many related policies, procedures and legislation. In order to ensure that these are implemented correctly and to ensure that management and staff have the required level of commitment, stakeholders are involved in the compilation of these policies and relevant staff are well trained on these in order to ensure that they can be effectively applied.

All staff joining Senqu Municipality are taken through an appropriate induction. Accordingly, all staff, management and Councilors receive a Code of Conduct and undergo suitable induction training (on and off the job --- i.e. as a general and task induction). Policies and procedures are reviewed annually in order to ensure that they are managed and remain applicable to the current context at all times.

At all times it remains the intention of the organization to create a personnel administration that is administered and managed in a manner that is: fair, efficient, effective and transparent. Management in turn are required to manage and support staff appropriately and according to legislative prescripts. In this manner a supportive management and administrative structure is created, which enables successful outcomes and performance optimization at every level.

4.4 POLICIES

4.4.1 Human Resource Plans that have been developed and/or reviewed:

HUMAN RESOURCES POLICIES AND PLANS				
	Name of Policy	Completed %	Reviewed %	Date adopted by Council or comment on failure to adopt
1	Essential User Car Scheme	100	New policy	29 September 2014
2	Scarce Skills Remuneration Policy	100	100	6 June 2016
3	Housing Subsidy Policy	100	New Policy	6 June 2016
4	Cellphone & 3G	100	100	6 June 2016

4.4.1 Human Resource Plans that have been developed and/or reviewed continued:

HUMAN RESOURCES POLICIES AND PLANS				
Name of Policy		Completed %	Reviewed %	Date adopted by Council or comment on failure to adopt
5	Bursary	100	100	23 August 2018
6	Training & Development	100	100	6 June 2016
7	Employee Assistance / Wellness	100	100	28 March 2015
8	Affirmative Action and Employment Equity	100	100	28 March 2015
9	Attraction and Retention	100	100	28 March 2015
10	Training and Development	100	100	28 March 2015
11	HIV/AIDS		Due for Re-view	November 2005
12	Career Development & Succession Planning	100	100	28 March 2015
13	Promotion, Demotion & Transfers	100	100	28 March 2015
14	Leave	100	100	28 July 2017
15	Occupational Health & Safety	100	100	23 August 2018
16	Official Housing	100	100	27 March 2015
17	Subsistence & Travelling	100	100	28 July 2017
18	Telephone	100	100	27 March 2013
19	Recruitment, Selection & Appointments	100		23 August 2018
20	Remuneration Policy	100	100	23 August 2018
21	Relocation	100	100	6 June 2016
22	Perks Scheme	100	100	31 March 2015
23	Termination of employment	100	100	23 August 2018
24	Sexual Harassment	100	Under review	29 September 2015
25	Bereavement Policy	100		28 March 2015

**4.4.2 Organization – wide Policies and Plans that have been developed and/or reviewed
2018/2019:**

POLICIES (ORGANIZATION WIDE)				
Newly Developed	Revised	Consultation Top Management LLF (through circular for comment or at LLF meetings)	Dates Ratified by Council By	Policies Implemented (Yes or No)
No	Supply Chain Management	Yes	29 May 2019	Yes
No	Debt Collection and Credit Control	Yes	29 May 2019	Yes
No	Cash Management Banking and Investment Policy	Yes	29 May 2019	Yes
No	Performance Management & Development	Yes	06 June 2016	Yes
No	Asset Management and Insurance Policy	Yes	30 May 2018	Yes
No	Property Rates & Valuation Policy	Yes	30 May 2018	Yes
No	Security Policies	Yes	30 May 2018	Yes
No	Tariff & Services Policy	Yes	30 May 2018	Yes
No	ICT Corporate Governance Framework	Yes	30 June 2017	Yes
No	Borrowing Funding & Reserve	Yes	29 May 2019	Yes
No	Virement Policy	Yes	29 May 2019	Yes
No	Performance Management	Yes	6 June 2016	Yes
No	Risk Management Policy and Framework	Yes	30 May 2017	Yes
No	Delegation Framework and Register	Yes	29 May 2019	Yes
No	Internal Audit Charter	Yes	30 May 2017	Yes
No	Audit Committee Charter	Yes	30 May 2017	Yes
No	IT Disaster Recovery Plan	Yes	July 2019	Yes
No	IT Strategic Plan	Yes	July 2019	Yes

NOTE: Within all of these instances extensive consultation processes were undertaken & reviewed policies were presented to top management and LLF and workshops were conducted with staff & councilors.

4.5 INJURIES, SICKNESS AND SUSPENSIONS

The tables below reflect the statistics for both the current and the previous financial year i.e. 2018/2019 and 2017/2018 reflecting sick leave related statistics:

4.5.1 Current Financial Year Sick Leave related costs: 2018/2019

Number of Days and Costs of Sick Leave (Excluding IOD) 2018/2019						
Salary Band	Total Sick Leave Days	Proportion of sick leave without medical certificate %	Number Employees using sick leave	Total number of employees in post	Average sick leave per employee Days	Estimated cost R '000
Levels 1-3	419	0	45	112	9	
levels 4-8	307	0	47	67	6	
Levels 9-12	323	0	36	58	8	
Levels 13-15	78	0	10	14	7	
Levels 16 – 25	123	0	12	13	10	
MM and s56	31	0	6	6	5	

NOTE: Calculations are made against the lowest earnings on each level, multiplied by the total sick leave days and reflected as a total ie. the total estimated cost.

4.5.2 Previous financial year Sick Leave related costs: 2017/2018

Number of Days and Costs of Sick Leave (Excluding IOD) 2017/2018						
Salary Band	Total Sick Leave Days	Proportion of sick leave without medical certificate %	Number Employees using sick leave	Total number of employees in post	Average sick leave per employee Days	Estimated cost R '000
Levels 1-3	459	0	46	117	9.97	R 3 184 083
levels 4-8	580	0	32	61	9.50	R4 424 240
Levels 9-12	534	0	30	54	9.80	R 7 728 048
Levels 13-15	112	0	7	14	8	R 3 301 312
Levels 16 – 25	247	0	9	12	20.58	R 206 332
MM and s56	15	0	4	6	2.50	R 406 325

4.5.3 Comment on Injury and Sick Leave

Although sick leave patterns may not appear excessive, they must be monitored closely as a matter of course and emerging patterns must be handled correctly.

All instances of Sick Leave must be applied strictly in accordance with the policy and all paperwork relating to Sick Leave must be completed prior or after the illness (depending on its nature). As per the prescriptions of policy, a doctor's certificate is not required for a period less than 3 days unless there is a history of sick leave having been taken (ie. sick leave that has been taken twice in a continuous 8-week period). If this is the case a doctor's certificate is required. A certificate is also required if patterned behaviour begins to emerge and management may then justifiably request a sick leave certificate, should this become evident. For any period, greater than 2 consecutive days, a sick leave certificate is required.

Injury on Duty (IOD's) are required to be reported and managed strictly in accordance with the Occupational Health and Safety Policy in which the procedure is clearly stated. In instances where injuries / sick leave extends for long periods or are in question, the organization reserves the right to have the injury/aspect of sick leave examined by a doctor of choice.

NOTE: If it becomes apparent that an employee is likely to be off for an extended period of time, or medically boarded, the Pension Fund is required to be notified within 6 months of this "potential disability". Failure to do so could result in non-approval of future disability claims and liability from the municipality. It is suggested that notification conservatively begin at 3 months.

Suspensions and Cases of Financial Misconduct:

Number and Period of Suspensions 2018/2019				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalized	Date Finalized
N/A	N/A	N/A	N/A	N/A

Cases of Misconduct

Position	Nature of Alleged Misconduct and Rand Value of any loss to the municipality	Disciplinary Action taken	Date Finalized
Senior Manager	Contravention of section 171 of the MFMA	Matter referred to the disciplinary board and the board found the allegations to be frivolous	27 February 2019
Middle manager	Contravention of the SCM regulations by appointing a service provider without following the SCM processes	Matter referred to the disciplinary board and the board recommended a full investigation	On -going
Junior official	Contravention of the SCM regulations by appointing a service provider without following the SCM processes	Contravention of the SCM regulations by appointing a service provider without following the SCM processes	On -going

4.6 PERFORMANCE REPORTING AND REWARDS

4.6.1 Performance Management Context and Guiding Principles

The Performance Management Framework, Policy and Procedure was updated, revised and aligned to the Competency Framework within the current period. The Competency Framework has replaced Regulation 26(8) of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers (Government Notice No. 805) as published in the Government Gazette No. 29089 of 1 August 2006. Under these circumstances, any person appointed as a senior manager is now required to possess all the specific leadership and management related competencies as set out within this framework. As such, when appointing any such manager, the suitability for any such position must incorporate assessment of the applicants' proven ability within all of these specified areas. Training and development should also take these competencies into account and inform any such training.

In order to comply with the prescriptions of the Competency Framework, these competencies have been incorporated into Senqu Municipality's current policy. As this policy is translated into operational targets and performance targets for individuals to whom the policy applies (as part of the policy "roll-out"), the specific performance targets that relate to Leading Competencies and Core Competencies are now included within the Employee Scorecards (to whom these apply i.e. to the s56 Directors and middle managers). This is also detailed within the Employee Performance Management System and related policy.

As per legislative prescriptions, all municipalities are legally required to develop a performance management system that will enhance the organisations levels of efficiency and effectiveness, account for the use of municipal resources and clearly indicate the achievement of outcomes. That being said and **in terms of the Systems Act** it was understood and accepted that **municipalities were required to develop and utilize systems that were best suited to their environment, circumstances and available resources**. It is under these conditions and with this express understanding that Senqu Municipality developed its PMS Framework and Policy (revised continuously since 2011 and most recently in June 2017 and October 2018).

The reviewed and updated Performance Management Policy was approved by Council in October 2018. This policy is now split into 2 groups. Group 1 is applicable to s56 employees and identified middle managers from Task 15 and above. Group 2 is applicable to all staff not deemed to be middle management i.e. from TASK Level 14 and below. It also accommodates the performance management of interns, service providers and the appropriate performance assessment of all parties. In order to ensure compliance with the latest legislation the policy has also been written to accommodate the new Competency Framework Regulations.

Overall it must be noted that the Performance Management Framework and System is required not only in order to achieve compliance (in terms of legislative prescripts), but in order to assist and facilitate the manner in which performance objectives and targets are met throughout the organization. The existence of a framework and system of this nature facilitates a process where service delivery objectives can be successfully achieved overall, in a specific, realistic and planned manner – taking available resources and current challenges into account.

As indicated, the Performance Management System exists in order to provide the organisation with the framework and tools necessary to ensure the development of a performance management culture throughout. As a management tool the performance management system, enables the organization to achieve its strategic objectives which are aligned to the IDP and institutional scorecard – facilitating effective and efficient service delivery.

"Performance Management" is not an isolated event. It represents a "means to an end" in the efforts undertaken to achieve a state and culture of performance optimization throughout the organization. In order to achieve this, it is recognized that performance management must be regarded as an integrated approach that combines the manner in which both **individual employee performance** and **institutional performance** is managed and reported on, in accordance with the relevant legislative prescripts. It is further acknowledged that the one cannot be successfully achieved in the absence of the other.

Note:

- The “roll –out of the current system is in progress. As with any such system it is imperative that the timing of the roll-out ensures successful completion and desired outcomes;
- Over the years and despite the fact that the system has not been rolled out to a level lower than middle management, the basic management principles have been followed within the day to day work environment. Line managers at all levels are required to ensure that staff are appropriately managed; that targets are understood; that staff performance and performance that fails to meet the required standard is suitably addressed (through performance counselling and discipline where appropriate and required); and reporting and record keeping is taking place and is certainly improving;
- In this way a culture of performance management is being instilled within the organization over time;
- Staff on all levels (Councillors; s56 Directors’; Middle Managers and staff reporting to these levels have all already received formal training on the Performance Management System, on the way forward and on the manner in which Performance Management will be rolled out and their role and function within this process; and
- Through these practices, the roll – outs planned over the next three years will have greater impact and opportunities for success.

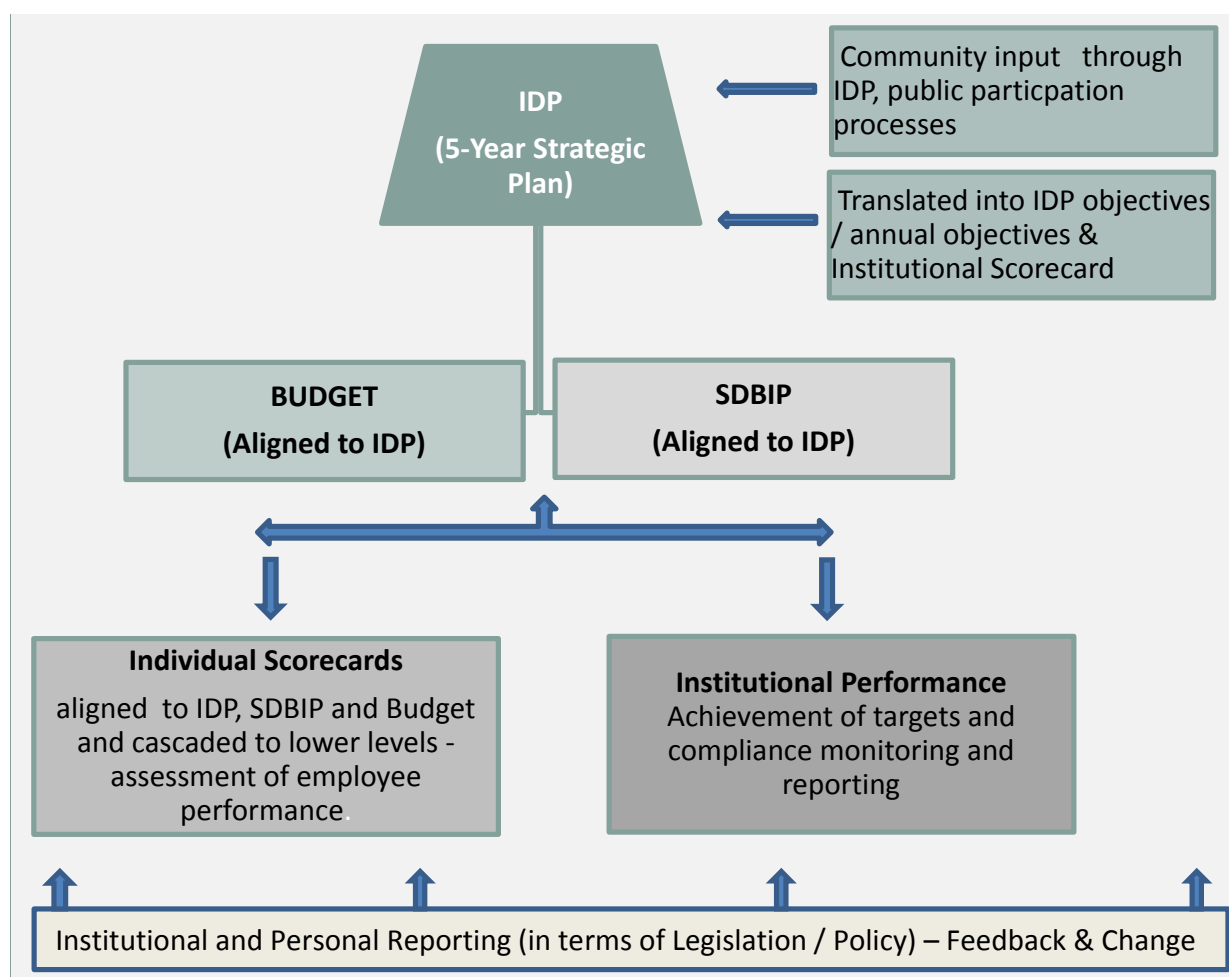
4.6.2 Performance Management System Framework

The Performance Management Framework and System relies very heavily on the importance of the setting of performance targets – at both the Individual Employee level and at the Institutional level. There is interdependency at every level and it is critical that the system and its many and related tools, and targets reflect accurately the performance results and needs at any single period of time.

4.6.3 Relationship between the Performance Management System and targets and issue of alignment

The relationship between the performance management system and process and the performance targets is explained diagrammatically below:

Figure: Integration of Institutional and Employee Performance Management and alignment of objectives and targets with IDP and Budget



As per the **figure above**:

- The Five (5) year Integrated Development Plan (IDP) is developed with community input;
- The IDP (as a 5-year strategic plan) is translated into an Annual Plan or Institutional Scorecard;
- It is critically important that there is alignment between the IDP, the Institutional Scorecard, the Budget and the SDBIP. It is also critically important that there is alignment between the SDBIP and the Performance Scorecards of all staff;
- The SDBIP and the integrated PMS provide the vital link between the mayor, council (executive) and the administration and facilitates the process of holding management accountable for its performance. The SDBIP and the PMS are management implementation and monitoring tools which assist the mayor, the councillors, municipal manager, senior

managers and the community in evaluating the performance of the council. A properly formulated SDBIP and PMS will ensure that the appropriate information is circulated, assessed and reported on internally and externally for purposes of monitoring;

- Directorate performance scorecards reflect the strategic objectives which are incorporated and aligned to the IDP, Budget and SDBIP. Competency Framework Standards are also included within the s56 Director's scorecards and those of middle management;
- The SDBIP represents a "contract" between the administration, council and the community. It expresses the goals and objectives set by the council as quantifiable outcomes that are to be achieved by the end of the financial year in question. Service delivery performance is measured in terms of the SDBIP targets and the degree to which operational plans have been achieved. As per a "cascade type approach", the Departmental SDBIP's will inform the Performance Scorecards of each manager and staff member and at every level, the operational targets and objectives will be cascaded and aligned to the strategic plan; and
- Despite the split between the PMS Policy required by levels and explained further below, the performance management concepts remain the same and all required targets (from as per the SDBIP and competency framework) are cascaded to all levels to a greater or lesser degree as dictated in terms of the prescriptions of each policy.

Current scenario and Way Forward (context provided)

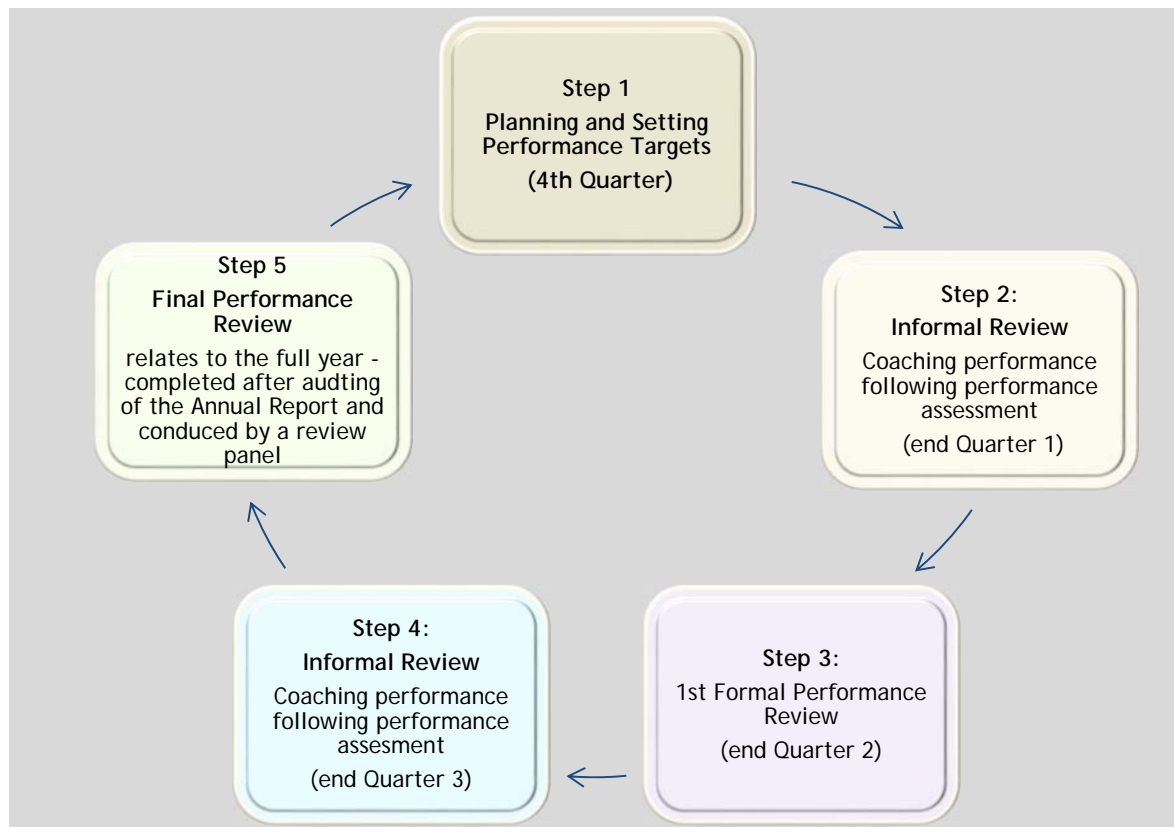
- During 2017/2018 the system was applicable to the level of s56 Directors and middle managers and effectively applied to Group 1 only i.e. applicable down to TASK level 15. Moving forward and as from 2018/2019 it was the intention that the system would be cascaded down to lower levels i.e. from TASK levels 14 to TASK levels 12. In effecting this change during 2018/2019, it was recognized that a Group 2 policy be developed and aligned to the needs of the lower levels and appropriate assessment of their performance as follows:
 - As already indicated, what was once a single policy had now been split into two policies in order to accommodate both Groups of Staff to whom it would be applicable and to ensure that these policies would be able to be practically applied.
 - The first half of the policy would be applicable to Group 1 i.e. to all staff at the level of the Municipal Manager, s56 Directors' and those staff considered to be at the Middle Management level (i.e. those staff reporting directly to s56 Directors) and generally considered to be at a TASK Level that is not lower than a level 15. When assessing performance of directors and middle management at these levels, all assessment processes and criteria as detailed within policy are to be adhered to as prescribed;
 - This policy also incorporated Institutional Performance Management and performance assessment of service providers, as these functions and responsibilities apply at these levels of management and staff;
 - The policy for Group 2 would be applicable to all remaining staff (from TASK Level 14 and below). It would also include the performance management and assessment of any interns;

- It must be noted that the split into these two PMS Policy Groups, was necessitated by the practical application of the policy at these different levels. It was recognized that the same criteria could not be practically applied at each level, especially as these objectives become significantly more operational at the lower levels;
- It was the intention for the policy to be rolled out (budget permitting and in terms of what is practically possible) over a reasonable period of time. Accordingly, the policy roll out process was proposed as follows (although this may be amended due to prevailing circumstances):
2018/2019: Rolled out down to TASK level 12 (TASK 14 – 12 now accommodated);
- 2019/2020: Incorporation of TASK levels 11 – 8; and 2020/2021: Incorporation of all remaining staff – budget permitting;
- Different Scorecards have been created for each group, i.e. Group 1 (Senior Staff); Group 2 (levels 14 to 12) and from levels 11 and below. In this manner, the practicalities of the work situation and ability to report and gather required evidence was accommodated;
- The Dispute resolution mechanism has been accommodated more thoroughly and is detailed specifically for staff at all three designated levels;
- Rating calculators and applicable bonus structures relating to Middle Management and other staff below Middle Management (according to all designated levels) have been specified in the new policy in order to accommodate the phasing in of performance management and related rewards (as and when applicable); and
- Following performance assessments and reporting (conducted individually and institutionally, as per the PMS Framework and Policy), the extent to which targets were met and more specifically the IDP targets and Competency targets are met were ascertained as per standard policy practices. Appropriate action was taken as and when required – in order to ensure that targets were ultimately achieved.

NOTE: Both the Employee and Institutional Performance Management System will be detailed separately and in the case of the Employee Performance Management process –the issue of rewards also will be covered.

4.6.4 Employee Performance Management (Assessment and Management)

The Employee Performance Management System operates within a cycle which extends from 1 July – 30 June annually – divided into quarterly activities as depicted below:



a. **Steps in The Performance Management Cycle (as depicted in the diagram above)**

- **1st Quarter (July to September): Informal Review** occurs between manager and direct report. Discussion, agreement and development of Personal Plan (scorecard); development of Personal Development Plan (PDP) and SDBIP Reporting is required to occur.
- **2nd Quarter (October to December): Formal review/assessment** between manager and direct report. Assessment on PDP and SDBIP Reporting culminating in s72 formal performance assessment report.
- **3rd Quarter (January to March): Informal Review** between manager and direct report. Discussion and agreement regarding achievement of performance regarding Personal Plan; Personal Development Plan (PDP) and SDBIP Reporting.
- **4th Quarter (April to June): Final formal review** with panel (occurring after AG audit of s46 and approved Annual Report).

Annually, the following steps are taken:

Step 1: Fourth Quarter (Planning for the next cycle)

- Scorecards (**Personal Plans**) for staff are developed (These Scorecards differ for Groups 1 and Groups 2 and are prescribed as per policy). All targets are written strictly in accordance with the manner in which targets are required to be written (ie. In accordance with the SMART principle). It is very important that every effort is made to ensure that there is alignment at every level ie. between scorecards, the SDBIP, Budget and IDP;
- Manager/line supervisor (depending on the group) and subordinate discuss and agree on targets;
- Areas for development are identified and reflected in a Personal Development Plan (PDP) or customized action plan that is signed by both parties in order to show commitment to achievement. This reflects the training and development needs that must take place in order to ensure that the subordinate is able to meet the required targets; and
- The Municipal Manager and s56 Directors and Middle Manager's sign annual performance agreements, applicable for this period.

NOTE: Changes specific to Groups 1 and 2 of the Policy will be implemented moving forward as indicated in 4.2.1 as the "roll out" processes continues. All prescriptions are adhered to.

Step 2: First Quarter Informal Review (Coaching and Reinforcement)

- At the end of this quarter the manager/line supervisor (depending on group) and subordinate meet to discuss actual performance against required performance. Achievements are commended and appropriate Action Plans developed in order to address any highlighted performance issues; and
- Action Plans are monitored so that appropriate action occurs, and targets are met.

Step 3: Second Quarter Formal Review/Assessment

- Manager/line supervisor and subordinate meet to discuss the formal assessment and the rating of actual performance against expected performance for all performance indicators. (The manner of ratings follows below). Agreement is reached on ratings and commitment (action plans) to required action to ensure that required targets are achieved.
- Institutional Performance Targets, including Directorate individual targets, are formally assessed through the s72 performance report in quarter 2.

Third Quarter: Informal Review (Coaching and Reinforcement)

- At the end of this quarter the manager/line supervisor and subordinate meet to discuss actual performance against required performance;
- Achievements are commended and appropriate Action Plans developed in order to address any highlighted performance issues; and
- Action Plans are monitored so that appropriate action occurs.

Fourth Quarter: Final Formal Review (Formal Panel Assessment)

- This assessment occurs after the auditing of the s46 / Annual Report. This is necessitated in order to be able to verify (from an external source) the achievement of targets/the extent to which targets have been achieved.
- Assessment of performance for all performance indicators is undertaken and in this instance assessment is undertaken by a panel, constituted according to the Framework and detailed below;
- As detailed within the Framework and Policy and amendments to the two groups as indicated in 4.2.1, differences will ultimately be observed in the final assessment (panel constitution and process).

Note:

- Two informal assessment occur twice a year - after the first and the third quarter; and
- Two formal assessments occur twice a year – relating to the second and fourth quarters. The 2nd quarter is formalized through the s72 performance report and the 4th Quarter assessment (which reflects an annual assessment) may only occur after the Auditor General has audited the s46 / Annual Report; and
- Portfolios' of Evidence are kept by all applicable participants to this process - the Municipal Manager, the Directors and other identified Managers and staff, in order to allow them to validate claims of performance.

b. Developing Personal Plans and Scorecards for employees

When developing scorecards (**Personal Plans**), it is critically important to ensure that the prescriptions for each policy group are adhered to as follows:

Group 1: Municipal Manager, s56 Directors and middle managers

- Each scorecard for the Municipal Manager, s56 Directors and Middle Manager's is compiled of **Key Performance Areas** (that make up 80% of the scorecard weighting) and **Leadership and Core Competencies** (that make up 20% of the scorecard weighting). Each area of assessment shall be weighted and shall contribute a specific part to the total score. The KPA's will total 100 points and the Leadership and Core Competencies will total 100 points, despite their total weightings of 80% and 20% respectively.
- Senqu Municipality has adopted the **five National Key Performance Indicators** as contained within the 5-year Local Government Strategic Agenda as their Key Performance Areas (KPAs') within the organisational performance scorecard;
- Accordingly, the following Key Performance Areas (KPA's) apply:
 - **Basic Service Delivery** (all service delivery related activities and functions);
 - **Local Economic Development** (relating to all activities and functions that promote economic development and alleviate poverty);
 - **Governance and Public Participation** (relating to organizational and administrative governance and all aspects of public participation);
 - **Municipal Transformation and Organisational Development** (this relates to the manner in which the institution is capacitated to conduct its affairs with required levels of conformance); and
 - **Municipal Financial Viability and Management** (ensuring strict adherence to the MFMA and standard accounting and financial management practices).
 - In the case of the Municipal Manager, the s56 Directors and middle managers, the scorecards are populated with the Key Performance Areas that are appropriate to the positions' themselves. The amount of emphasis that a National KPA would carry within this particular Directorate /Department/Division and the position is key to the degree of its use. Under these circumstances, certain scorecards/performance plans will be populated with all five (5) of the national key indicators and some may only consist of three (3) or four (4) of the five National Key Performance Indicators. The weightings may vary/ differ, depending entirely on the responsibilities of the position itself.
- Performance Agreements and current scorecards/Personal Plans are concluded annually for the Municipal Manager; s56 Directors' and middle managers'; and

- In terms of policy there are additional differences in the manner in which performance scorecards/personal plans are structured for different levels within and between policies as follows:
 - These consist of **Key Performance Areas** that are appropriate to the positions' themselves (accounting for 80% of the weighting) and relate to the National Key Performance Indicators;
 - The Municipal Manager and s56 Directors will have scorecards that include "**Leadership and Core Competencies**" that make up 20% of the scorecard weighting);
 - By comparison, the Middle Managers' from the same group, will have scorecards that have the 20% weighting made up of three (3) Compulsory Core Management Competencies.
 - The competencies that now appear in the **Competency Framework Structure** are detailed in the table that follows– defined as Leading Competencies and Core Competencies:

Leadership and Core Competencies

LEADING COMPETENCIES	
Strategic Direction and Leadership “Provide and direct a vision for the institution and inspire and deploy others to deliver on the strategic mandate”.	<ul style="list-style-type: none"> • Impact and Influence • Institutional Performance and Management • Strategic Planning and Management • Organisational Awareness
People Management “Effectively manage, inspire and encourage people, respect diversity, optimise talent and build and nurture relationships in order to achieve institutional objectives”.	<ul style="list-style-type: none"> • Human Capital Planning and Development • Diversity Management • Employee Relations Management • Negotiation and Dispute Management
Programme and Project Management “Able to understand programme and project management methodology; plan, manage, monitor and evaluate specific activities in order to deliver on set objectives”.	<ul style="list-style-type: none"> • Programme and Project Planning and Implementation • Service Delivery Management • Programme and Project Monitoring and Evaluation
Financial Management “Able to compile, plan and manage budgets, control cash flow, institute financial risk management and administer procurement processes in accordance with recognised financial practices. Further to ensure that all financial transactions are managed in an ethical manner”.	<ul style="list-style-type: none"> • Budget Planning and Execution • Financial Strategy and Delivery • Financial Reporting and Monitoring
Change Leadership “Able to direct and initiate institutional transformation on all levels in order to successfully drive and implement new initiatives and delivery professional and quality services to the community”.	<ul style="list-style-type: none"> • Change Vision and Strategy • Process Design and Improvement • Change Impact Monitoring and Evaluation
Governance Leadership “Able to promote, direct and apply professionalism in managing risk and compliance requirements and apply a thorough understanding of governance practices and obligations. Further, able to direct the conceptualisation of relevant policies and enhance cooperative governance relationships”.	<ul style="list-style-type: none"> • Policy Formulation • Risk and Compliance Management • Cooperative Governance

CORE COMPETENCIES
Moral Competence
Planning and Organising
Analysis and Innovation
Knowledge and Information Management
Communication
Results and Quality Focus

Group 2 - Other staff (TASK levels 14 and below)

- All remaining staff will have **generic type scorecards**;
- Each Scorecard is made up of 100 points;
- There are two (2) parts to each scorecard
Part 1: Technical Competencies (applicable to three (3) areas of specific technical competence) and contributes to 80 points overall; and
Part 2: Standardized Behavioural and Performance Targets. This comprises the same generic targets for all staff in this group viz. Time Keeping, Absenteeism, Meeting Deadlines, Customer Focus, Health and Safety, Discipline, Administration and Communication. These contribute to a full 20 points of the scorecard);
- Performance targets become more operationally based at each lower level and accordingly the performance targets must be written differently and more operationally at these levels. This will become effective at the time that the PMS is applicable to them and will be signed annually.

c. Rating of Employee Performance (differences in Groups 1 and 2)

The rating of an employee's level of performance, whether in the category of s56 Director, as a middle manager or general staff member, requires that ratings occur in terms of the rating calculator reflected within the stated and currently applicable policy (Group 1 and 2 differ as indicated).

Group 1 Rating Assessments

Within the current year the Rating Calculator Assessment Tool has been aligned to the levels attached to the Competency Framework i.e. Basic (Level 1 and 2), Competent, Advanced and Superior Performance (as reflected in the table below):

Rating Calculator Assessment Tool

LEVEL	TERMINOLOGY	DESCRIPTION
5	Outstanding performance "SUPERIOR"	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the employee has achieved above the fully effective results against <u>all</u> performance criteria and indicators as specified in the Performance Agreement and Performance Plan and maintained this in all areas of responsibility throughout the year.
4	Performance significantly above expectations "ADVANCED"	Performance is significantly higher than the standard expected in the job . The appraisal indicates that the employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year .
3	Fully effective "COMPETENT"	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the employee has fully achieved effective results against all significant performance criteria and indicators as specified in the Performance Agreement and Performance Plan .
2	Performance not fully effective "BASIC LEVEL 2"	Performance is below the standard required for the job in key areas . Performance meets some of the standards expected for the job. The review / assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the Performance Agreement and Performance Plan.
1	Unacceptable performance "BASIC LEVEL 1"	Performance does not meet the standard expected for the job . The review / assessment indicate that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the Performance Agreement and Performance Plan . The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.

Performance is rated in accordance with this scale for each target. In addition to the level descriptors above, the following factors and descriptions must also be considered when assigning achievement levels and related ratings:

ACHIEVEMENT LEVELS	DESCRIPTION
Basic	Applies basic concepts, methods, and understanding of local government operations, but requires supervision and development intervention
Competent	Develops and applies more progressive concepts, methods and understanding. Plans and guides the work of others and executes progressive analyses.
Advanced	Develops and applies complex concepts, methods and understanding. Effectively directs and leads a group and executes in-depth analyses.
Superior	Has a comprehensive understanding of local government operations, critical in shaping strategic direction and change, develops and applies comprehensive concepts and methods.

Note: To ensure consistent application of these level descriptors, attention to the wording of the descriptors must be taken into account. Allowances for extenuating circumstances and actions out of the norm/over what was required, must be taken into account. This may be used to justify a change in rating, or effectively to accommodate the target being considered to have been achieved – **with a variance**.

Example:

- If 4 meetings were required **per quarter** and 4 took place but two of these were held in the same quarter (timings out but justified) – this would be considered to have **been met – with a variance** (which is then explained).

In these instances, the reason for the variance and the remedial action taken must be justified accordingly. A degree of flexibility when determining the applicable rating – providing it can be warranted/justified must be allowed. These factors must be considered during the auditing process as if not applied this can be challenged

NOTE: When assessing an individual's performance external factors may be considered as the employee is able to use initiative in order to ensure that the job gets done. Targets may then be met "with a variance" and extenuating circumstances will be taken into account. When it comes to institutional performance this does not apply and targets are either rated as "achieved" or "not achieved".

As per the previous Regulations, assessment of actions taken must also take the following issues into account:

Duration of Task	Was the target achieved within the projected timeframe?
Level of Complexity	<ul style="list-style-type: none"> • What problem-solving techniques occurred? • What innovative action was taken? • What level of operation/complexity occurred?
Cost	<ul style="list-style-type: none"> • To what extent were costs maintained within budget? • Was the budget exceeded? • Were savings apparent?
Constraints	<ul style="list-style-type: none"> • What constraints were expected: • Did these occur? • To what extent did this affect the desired outcome? • What actions /especially proactive where taken to resolve the issue?

NOTE:

d. Assessment and Rating for Group 1 (the Municipal Manager, s56 Directors and Middle Managers

- During the first “formal” review (December) the “Manager” will assess the subordinate’s performance by using the rating scale of 1 to 5 and the reasons for variances. Similarly, the subordinate will conduct a self- assessment. When meeting, both parties will attempt to reach agreement on the ratings. Where no agreement is reached as to the final score, the decision will be made by the next higher level of authority (as per the dispute resolution mechanism). The results of the assessment will guide the manager and subordinate to take appropriate steps to improve performance ongoing (through the development of action plans); and
- During the final review assessment (formal panel assessment for the period 1 July to 30 June), performance will also be rated according to these level descriptors **although it will be rated by the relevant performance assessment panel and consolidated ratings will be translated into appropriately weighted scores by the Performance Management Facilitator.** Variances are taken into account and examined/motivated appropriately.

NOTE:

- KPA’s are assessed **by the panel**, as stipulated, but leading and core competencies are assessed only by the incumbent, the relevant Director/Municipal Manager and the Performance Management Facilitator; and
- No final assessment should take place prior to the Annual Report being approved. At this point all the performance information has been audited and considered to be a true reflection of reality. Only verified evidence of claims of performance are considered to be true and can be taken into account.

- Assessments are based on the degree to which a performance indicator has been met. Failure to produce adequate evidence will result in the lowest rating being awarded i.e. a rating of the number “1”.

Group 2 Rating Assessments

Staff will be rated according to performance on a set of stipulated targets (generic and technical issues) as stipulated within the approved policy. A different rating scale as applicable and is detailed below:

Group 2 Rating Calculator

LEVEL	TERMINOLOGY	DESCRIPTION
5	Outstanding performance "SUPERIOR"	Performance exceeds targets in 80% of indicators.
4	Performance significantly above expectations "ADVANCED"	Performance is higher than the standard expected in terms of the target. Consider action over and above what is expected/use of initiative.
3	Fully effective "COMPETENT"	Performance fully meets the standard required by the targets.
2	Performance not fully effective "BASIC LEVEL 2"	Performance is below the standard .
1	Unacceptable performance "BASIC LEVEL 1"	Performance does not meet the standard expected for the job .

When assessing performance, the following issues must be taken into account:

Duration of Task	<ul style="list-style-type: none"> Was the target achieved within the projected timeframe?
Level of Complexity	<ul style="list-style-type: none"> What problem-solving techniques occurred? What innovative action was taken? What level of operation/complexity occurred?
Cost	<ul style="list-style-type: none"> To what extent were costs maintained within budget? Was the budget exceeded? Were savings apparent?
Constraints	<ul style="list-style-type: none"> What constraints were expected? Did these occur? To what extent did this affect the desired outcome? What actions /especially proactive where taken to resolve the issue?

In the first assessment review, the immediate manager and related subordinates will discuss assessments and validate all assessments made via a suitably prepared Portfolio of Evidence. A rating will be agreed. During the final assessment an assessment panel will determine the final rating and thus score. Spot checks will be conducted by the PMS Facilitator. The relevant Head of Department/Director will sign off on the final outcome.

e. Scoring of Employees Performance (Groups 1 and 2)

Note: Rating and Scoring are two distinct processes.

The **rating** is used to determine the actual score from the total possible score for each output.

In the case of Group 1, each performance scorecard is made up of 200 points. 100 points for the KPA's which are then weighted as a total of 80% and 100 points allocated to the Leading and Core Competencies (only Leading Competencies for Middle managers) which are then weighted as 20% - This is adjusted to finally reflecting the 80:20 = 100% scorecard value, that is refereed to later when scoring.

It is the responsibility of the PMS Facilitator to translate the ratings into final weighted scores.

Note: Terminology Consistency.

- It is noted that there are occasions where for all intents and purposes targets are met, but with a justifiable variance. No longer may the term “partially met” be used – it is required that the reason for the variance/deviation is explained and motivated, together with any remedial action that may have been taken to address it, i.e. **“Target met with a variance** in that (Insert what had occurred) and the following remedial action was taken to remedy the situation.....;.
- The extent of the remedial / pro-active action required and taken may impact on the fact that a **target will be regarded as having been met with “a variance”**.

In the case of Group 2 panellist ratings added and consolidated to determine the final score out of 100. The panel is used to address bias!

f. Self-Scoring

The principle of self-scoring has been used throughout the performance management system and policy. Issues have been raised historically regarding the fact that incumbents engage in “self-scoring” when assessing performance. This issue continues to be raised and argued by the Audit Unit and Committee and is cause for concern as it is clearly impeding progress and adding unnecessarily to operational costs as workshops and meetings on this manner are required and numerous reports to justify this action and practice. This practice has been justified due to reference to “best practice principles”, legal opinion, Auditor General sanction through the Auditor General’s Report incorporating Performance Management, practical show and tell illustrating that the use of self-scores has no material impact on final outcomes and the fact that this practice is recommended for “buy in” and commitment from staff, and the fact that this practice has been sanctioned by Council.

The internal audit has in the past made an interpretation/argument against this practice and makes reference to section 28 (3) of the Regulations which states that performance feedback is required to be based on the employer's assessment of the employee's performance. They state quite categorically that no self-scoring should occur and suggest that bias will become a major issue with incumbents scoring themselves far too high – thus skewing the final rating and outcome. This has been disproved through practical examples. At this point the motivation behind this ongoing issue is questioned and one can also assume that this might be occurring due to misinterpretation and lack of experience within this field. It is a situation that must be put to rest once and for all.

Research will show that self-scoring is used widely in both the private and public sector and is considered to be best practice in so far as individual performance assessment is concerned. The “beauty” of a panel interview is the fact that each parties score is taken into account/consolidated. Scores **should not differ dramatically** if the ratings are understood and applied correctly –

attempting to obtain high levels of objectivity based on facts (hence the Portfolio of Evidence – POE). The very fact that a self-rating/score is required to be justified by the employee based on the evidence in the POE, will mean that the rating will most likely be more accurate and conservative. Panel members (who the background knowledge and insight into related issues don't always have that they score on) will be able to ask questions for insight and clarity and this will allow them to make a better-informed rating.

The overriding issue is that the Performance Management Policy has been approved (and thus the process of self-scoring) and in fact the Municipal Systems Act (MSA) allows for this. This has been incorporated within Senqu Local Municipalities performance agreements for all participating staff and in terms of current policy, this has been applied to the letter. Under these circumstances there is no formal reason why this practice should not continue as it has done in the past.

When interpreting the Regulations, the prescriptions of the MSA are clear ---- the Municipality may and has chosen a policy that suits its situation and circumstances. This is perfectly in order and a Council Resolution to accommodate and allow self-scoring was passed. In addition, the performance agreements entered into for the year in question relate to the current policy and approved process. In terms of this any changes to the policy at this point would be considered to be in breach of the said contract and performance agreement that was signed with the s56 Directors, the Municipal Manager and Managers reporting to the s56 Directors. It would also be contrary to a Council Resolution which is ignored would be considered to be an act on non-compliance – that would most certainly raise an audit query. The failure to allow self-scores at this point would be an act on non-compliance and would open the organization up to serious issues relating to misconduct and non-compliance.

It must be noted that best practice nationally and internationally finds employees self - scoring as with any transparent process. The employee would look quite bad if they simply used this exercise to give themselves the highest possible score. Scoring (completed by whichever member of the panel) is directly based on supporting evidence contained within the Portfolio of Evidence. The employee is given the opportunity to state their case based on the evidence, and the panel members may resolve queries directly with the employee. Issues requiring clarity are clarified and if there are mitigating or extenuating circumstances these can be clearly explained and justified, or not - these factors are incorporated into the regulations referred to. This process is as transparent as can be and avoids panel members basing their rating/score on a **lack of understanding and/or insight** about the context that presents itself. This situation would be even more dangerous and has the ability to throw the credibility of the process into question.

Each member of the rating panel is briefed on how the rating scale works and notwithstanding this it is noted that when rating, differences in ratings may occur between different panellists. Most often ratings are close but there are occasions where these differ across the entire spectrum (from 2 – 5 for example). This is **not a pure science** and we strive to be as objective as is humanly possible. Rightly or wrongly, each panellist has an individual score. All parties are warned that their scores can be challenged, so as to encourage them to rate carefully. Reality shows that the

panellists do rate differently amongst each other in terms of score but in most cases, scores are not too far apart.

g. Performance Bonuses

Group 1: Performance Bonuses applicable to Municipal Manager and s56 Directors

- In order for the Municipal Manager, s56 Directors and Middle Managers to qualify for a performance bonus, the ratings of all panelists are required to be consolidated and changed into averaged scores (representative of the entire panel) **for all KPA related targets**; and
- **Leading Competency scores** are evaluated according to ratings provided by the incumbent, immediate supervisor/manager/audit committee member and the performance management expert who are deemed as being most appropriate to rate these areas – measuring aspects of leadership. Total ratings and scores per incumbent are consolidated by the Performance Management Facilitator appointed for this purpose.

Figure: Assessment panel constitution for the Municipal Manager and s56 Managers

Assessment Panel of the Municipal Manager (MM)	Assessment Panel of S56 Directors accountable to the Municipal Manager (MM)
Mayor	MM
Chairperson of the audit committee or Audit Committee Member	Chairperson of the audit committee or Audit Committee Member
Mayor or Municipal Manager from another municipality	Municipal Manager from another municipality
Ward committee member nominated by Mayor	Portfolio Councillor or Exco Member as nominated by the Mayor
Exco Member as nominated by the Mayor	Governance and Compliance Manager
Governance and Compliance Manager	PMS Facilitator
PMS Facilitator	

- The Municipal Manager and s56 Directors are required to prepare and present a Portfolio of Evidence – substantiating claims of performance for each and every Performance Indicator for KPA's, Leading Competencies and CMC's. This, together with the audit of the Annual Report will validate /authenticate claims of performance – necessary in order to justify/verify the final consolidated score and any applicable bonus. Bonuses are awarded according to the following sliding scale – achieved by doubling the **final total score out of 100** - as adjusted down in 80:20 ratio to reflect out of 100 from 200. This 80:20 adjusted figure out of 100, is then doubled to reflect a figure out of 200- so that it can apply strictly in accordance with the rating scale.

The sliding scale for bonuses applicable to s56 Managers is reflected as follows:

<u>Score / 200</u>	<u>% Bonus for s56 Managers</u>
130 (65%)	5 % of total annual remuneration package
134	6 % of total annual remuneration package
138	7 % of total annual remuneration package
142	8 % of total annual remuneration package
146	9 % of total annual remuneration package
150	10 % of total annual remuneration package
154	11 % of total annual remuneration package
158	12 % of total annual remuneration package
162	13 % of total annual remuneration package
166+ (83% +)	14 % of total annual remuneration package

As per the Performance Regulations, the Municipal Manager and s56 Directors will be able to qualify for performance bonuses according to the following ratings (reflected in the table below):

- A score of 130% to 149% is awarded a performance bonus ranging from 5 – 9%, and
- A score of 150 and above is awarded a performance bonus ranging from 10% - 14%.

Merit awards applicable to the Municipal Manager and s56 Directors (budget permitting)

- Merit awards for the Municipal Manager and s56 Directors' are determined by assessing performance against required targets. Once performance criteria have been established, performance targets are reviewed regularly. At the end of the financial year, actual performance is compared against the agreed performance targets to determine the magnitude of the merit award. The merit award is calculated as a percentage of the **total annual remuneration package** of the employee, as indicated in the table hereunder.

Score / 200	Merit Award for s56 Managers
130 to 141 (65% - 70%)	1% of total annual remuneration package
142 to 149 (71% - 74%)	2% of total annual remuneration package
150 to 161 (75% - 80%)	3% of total annual remuneration package
162 to 165 (81 – 82%)	4% of total annual remuneration package
166+ (83% +)	5% of total annual remuneration package

Performance Bonuses applicable to Middle Managers

- Middle Managers are required to prepare and present a Portfolio of Evidence – substantiating claims of performance for each and every Performance Indicator for KPA's at 100 points and Leading Competencies at 100 points but reflected finally as an 80:20 ratio and a final rating out of 100 points taking the weightings into consideration. Bonuses are awarded according to the following sliding scale – achieved by doubling the **score** out of 100 as calculated by the PMS Facilitator, so as to reflect a total out of 200 – applicable to the rating scale;
- In order for Middle Managers to qualify for a performance bonus, the ratings of all panelists are required to be consolidated and changed by the Performance Management into averaged scores (representative of the entire panel) for the KPA's. Leading competencies are evaluated and rated by the incumbent, the immediate supervisor/manager, member of the Audit Committee and the Performance Management Facilitator;
- The assessment panel for middle managers is constituted as follows:

ASSESSMENT PANEL FOR MIDDLE MANAGERS
Director (for relevant Directorate)
Manager (Relevant to Division) being reviewed (self-score and motivation /POE).
PMS Facilitator
Member of the Audit Committee

- All Middle Managers are required to prepare and present a Portfolio of Evidence – substantiating claims of performance for each and every Performance Indicator for KPA's and Leading Core Management Competencies (CMC's). This, together with the audit of the Annual Report will validate /authenticate claims of performance – necessary in order to justify/verify the final consolidated score and any applicable bonus.

- It must be noted that each KPA is individually weighted according to the level of importance and the amount of emphasis that this KPA would carry within this particular Directorate / Department/Division and position. Between positions and Directorates / Departments the weightings may vary/ differ, depending entirely on the responsibilities of the position itself. The only prescription is that , the total number allocated for the weights of the KPA's is 80%. The remainder of the scorecard adds up to 20% and made up of Core Management Competencies (CMC's). there are three (3) compulsory CMC's and one other, that are required to be evaluated in terms of the PMS policy. The consolidated scores reflecting the 100 points per each and 80:20 ratio are determined by the PMS Facilitator out of 100 total points and then doubled out of 200. Bonuses are applicable as per the following sliding scale:

The sliding scale applicable to Middle Managers' is reflected as follows:

Score / 200	% Bonus of Middle Manager's Basic Salary
130-133	10 % Middle Manager's Basic Monthly Salary
134-137	20% Middle Manager's Basic Monthly Salary
138-141	30% Middle Manager's Basic Monthly Salary
142-145	40% Middle Manager's Basic Monthly Salary
146-149	50% Middle Manager's Basic Monthly Salary
150-153	60% Middle Manager's Basic Monthly Salary
154-157	70% Middle Manager's Basic Monthly Salary
158-161	80% Middle Manager's Basic Monthly Salary
162-165	90% Middle Manager's Basic Monthly Salary
166	100% Middle Manager's Basic Monthly Salary

Merit Awards applicable to middle managers (budget permitting)

- Merit awards for middle managers may be determined by assessing performance against required targets. Once performance criteria have been established, performance targets are reviewed regularly. At the end of the financial year, actual performance is compared against the agreed performance targets to determine the magnitude of the merit increase. The merit increase (budget permitting) is calculated as a percentage of the total annual remuneration package of the employee, as indicated in the table hereunder:

Score / 200	Merit Award for Middle Managers
130 to 141 (65% - 70%)	1% of Basic Monthly Salary package
142 to 149 (71% - 74%)	2% of Basic Monthly Salary package
150 to 161 (75% - 80%)	3% of Basic Monthly Salary package
162 to 165 (81 – 82%)	4% of Basic Monthly Salary package
166+ (83% +)	5% of Basic Monthly Salary package

Merit Awards applicable to all other staff (TASK Level 14 and below)

- It is the intention to roll out the award of Performance Bonuses to all other staff providing the required criteria are met. This will be implemented by agreement over time. In accordance with this, all other staff will only be eligible to achieve a merit award providing they qualify to be assessed in this manner and providing they achieve a stipulated rating during the final review that is applicable to the assessment of annual performance and is detailed in the table that follows.
- While this is not a legislated requirement it is important to assess performance throughout the organisation and daily. Using the applicable rating scale of 1 to 5 for achievement on targets as specified in terms of a standardized scorecard, the ratings of all parties to the formal evaluation (the incumbent and the direct supervisor/manager) will be averaged and an average rating for each incumbent will be obtained which will translate to an overall rating that ranges from 1 to 5. A Merit Award Bonus will be applicable in terms of the overall rating that correlates with the scale below – budget permitting:

Group 2 Merit Award Bonus Scale

AVERAGE RATING	MERIT AWARD
5	60% of monthly basic package
4	40% of monthly basic package
3	20% of monthly basic package
2	0%
1	0%

Performance Rewards

- Although the Annual Cycle runs from 1 July – 30 June annually, the final formal assessment only occurs after the final approval of the Annual Report and the auditing of the Annual Financial Statements. After auditing these represent verified documents – all detail provided within these documents being recognized as being credible (having been assessed); and
- In terms of the PMS Policy, a deserving and qualifying employee may receive a performance bonus, providing the terms and conditions of policy are met. Following the outcomes of the ratings and consolidated scores (from the assessment panel) the final score will be considered against the sliding scale relating to performance bonuses.

h. Management of Poor Performance

- Poor performance is required to be managed on-the-job through performance /behavioural assessment and coaching. Performance/behavioural issues will be handled according to the terms /conditions of any fixed term contract of employment and/or in terms of the applicable Disciplinary and Procedure Code.

i. Final Reporting: Employee Performance

- Final reporting in terms of performance assessments of s56 Directors and others takes place through formal record and is contained with the Performance Report that is submitted to Council.

In the case of the Municipal Manager, these results are submitted to the MEC for Eastern Cape Local Government and the National Minister for Local Government.

NOTE: Final Performance Assessments are only concluded after the Annual Report has been audited and finally approved. At this point, all statistics and performance claims on which assessments will be based will have been verified. No final assessment is conducted until the annual report is finally approved i.e. after data contained within the Annual Report has been audited and verified. By doing so the credibility is maintained and data is verified. In keeping with this, 2018/2019 Performance Rewards will only be paid out during the next financial year.

The table below reflects the final outcomes of the performance assessed and details statistics regarding those that received an award (detailed by Gender). This can only be completed following the assessment for this period and this in turn can only be conducted following the final draft and approval of the Annual Report.

4.6.5 Institutional Performance Management

The following institutional reporting is required in terms of legislative prescriptions and provides the required information that leads to appropriate action:

Assessment Report	Timeframe	Submitted to	Required by
SDBIP's	Quarterly	Exco	MFMA, Circular 13
Budget Statements	Monthly	Mayor (in consultation with Exco)	S71 & s54 of the MFMA
Organizational Scorecard	Quarterly	Exco	PMS Framework
SDBIP Mid-year budget & Performance Assessment	Annually during January each year	Mayor (in consultation with Exco)	S71 & s54 of the MFMA
Performance Report	Annually	Council	S46 of MSA as amended. Incorporated into Annual Report
Annual Report	Annually	Council	Circular 63 and Chapter 12 of the MFMA

4.6.6 Institutional PMS Progress 2018/2019

The following performance reporting was completed in order to meet all aspects of compliance:

- The draft SDBIP (aligned to the IDP) was developed and tabled to the Mayor 14 days after the budget was tabled. More specifically, the draft SDBIP was submitted to Provincial Treasury on 4 April 2019 and to National Treasury on 3 April 2019;
- The final SDBIP for 2019/2020 was approved by the Mayor on 27 June 2019 and was submitted to National Treasury on 15 July 2019 and to Provincial Treasury on 17 July 2019;
- Quarterly SDBIP reports were developed and submitted as required;
- As required the s72, s46 and Annual Report for this period were compiled and submitted as required:
 - The Mid-Year budget and Performance report was tabled to EXCO on 25 January 2019 and to Council on 28 January 2019 where it was approved. It is specifically noted that in terms of MFMA, Section 54(1) f, the Mayor must consider the report first and table the report to council by 31 January each year;

- The Draft Annual report was tabled and approved by Council on 28 January 2019;
- The Final Annual Report and Oversight Reports were tabled and approved by Council on 27 March 2019 (prior to legislated dates in both instances);
- Improvements are still required regarding the alignment between the IDP, Budget, SDBIP and related documents.
- As in with previous years, despite wanting to use the opportunity in developing the SDBIP and scorecards as a capacitation exercise, SMART targets are not always correctly achieved and relevant staff are required to be additionally workshopped in this regard;
- As in previous years there continues to be an all-round lack of interest and a sense of general apathy from Senior Management within the various Directorates with regard to provision of performance reporting. Moving forward we need to instill a performance culture within day-to-day functioning and to create an understanding that performance management is an effective tool and benefits both the individual and the institution. It must be regarded as so much more than just a matter of compliance;
- The 2017/2022 IDP was developed and approved by Council timeously and in both the previous and current years the IDP was timeously reviewed and submitted to Council. More specifically, the draft IDP was developed and submitted to council for approval on the 27th March 2019 and the final IDP was adopted by Council on 29 May 2019;
- The IDP Process Plan was adopted by Council in July 2018;
- MPAC and Audit Committee meetings were held during this period (to provide required oversight). Achievements include: the completion of an Internal Audit External Quality Review; the execution and reporting on the IT Security Audit and reporting quarterly on the Institutional Audit dashboard;
- The Mid-Year performance report for the previous and current financial year were completed and tabled timeously and correctly as required; and
- The Annual Performance report was submitted to the Internal Audit Unit for Auditing and to the Audit Committee for review and the Auditor General for Auditing on the legislated date of 31 August 2018.

NOTE: Verification of all data reported on occurs through the various auditing processes conducted. No assessment of individuals takes place until the Annual Report has been finally approved i.e. after all data within this report has been audited and verified. In so doing it must be noted that the credibility is maintained, and data verified as required.

4.6.7 Service Provider Reporting

Section 76 b of the MSA states that KPI's should inform the indicators set for every municipal entity and service providers with whom the municipality has entered into a service delivery agreement. Although the Municipality has introduced a performance rating system managed by the Supply

Chain Management Unit, the Municipality is also in the process of enhancing the system in order to ensure that it effectively evaluates the performance of the service providers.

The Council and management remain committed to ensuring that all SCM legislation and regulations are complied with in order to ensure that fair and transparent tender processes are followed at all times and to ensure full compliance with the applicable legislation. In support of this, the Municipal SCM Policy has been reviewed and approved by Council as part of the review of all budget related policies.

In order to comply with section 119 of the MFMA all members serving on Bid Specification, Evaluation and Adjudication Committees and all SCM staff are required to attend National Treasury approved training in order to ensure that they meet the prescribed minimum competency levels relating to SCM.

Various other control measures are also being implemented in order to ensure that SCM practices are affected in a fair, equitable and transparent manner. Supply Chain Management continues to be seen as an area of priority for top management.

The new Performance Management Policy makes provision for Service Provider/Vendor performance assessment and reporting. The manner in which this is required to occur is strictly prescribed. To date, while improvements in reporting have occurred it is clear that additional training in this regard is required. Directorates are required to recognize the importance of this reporting and that it is not just in terms of compliance but to ensure effective service delivery on every level and to prevent wasteful, fruitless and irregular expenditure.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Senqu Municipality continues to place strong emphasis on the development of a well capacitated workforce. This incorporates all efforts to capacitate all Councillors, management and staff. As reflected within the statistics presented below, Senqu Municipality has demonstrated both in the current and preceding years the extent of its commitment to fulfilling all planned training as reflected within the Workplace Skills Plan (WSP). The WSP itself was informed to a large extent by the results of the skills audit, requirements in terms of the IDP objectives and determining the gaps and the developmental needs of Councillors, management and employees.

The WSP was compiled for the 2018-2019 period and was adopted by Council (having been ratified by SAMWU and IMATU). The SDF was appointed, the WSP developed, approved and successfully implemented. The WSP together with all the supporting documents was submitted to LGSETA by 30th April 2019 and receipt was acknowledged by LGSETA. Reports on the implementation of the WSP are compiled and submitted to the LGSETA quarterly.

Notwithstanding the successful development of the WSP and its implementation, one has to acknowledge the very real limitations in respect of financial resources. Accordingly, notwithstanding the fact that training and development takes place, it must be acknowledged that this will never be considered to be sufficient in terms of current need.

The training function is centralised and all related expenditure is authorised by the Director of Corporate Services.

4.7 SKILLS DEVELOPMENT AND TRAINING

4.7.1 Comment on Skills Development Expenditure 2018/2019

The institutional training budget:	R 3 617 207.00
Actual expenditure	R 2 227 430.27
Variance:	R 1 389 776.73

TRAINING EXPENDITURE PER DEPARTMENT 2018/2019	
Municipal Manager's Department	
Budgeted amount	R 125 000
Amount spent	R 54 589.22
Variance:	R 70 410.45
All the required training programmes were implemented in the Municipal Manager's office.	
Internal Auditing Section	
Budgeted amount	R 113 422.00
Amount spent	R 36 148.99
Variance:	R 77 273.01
Corporate Services Department	
Budgeted amount	R 621 018.00
Amount spent	R 323 770.66
Variance:	R 297 247.34
Legislators	
Budgeted amount	R 540 000.00
Amount spent	R 371 173.50
Variance:	R 168 826.50
Planning and Development Department	
Budgeted amount	R 578 054.00
Amount spent	R 221 107.3
Variance:	R 356 946.70
Finance Department	
Budgeted amount	R 482 503.00
Amount spent	R 325 008.25
Variance:	R 157 494.75
Traffic Section	
Budgeted amount	R 266 401.00
Amount spent	R 264 293.88
Variance:	R 2 107.12

TRAINING EXPENDITURE PER DEPARTMENT 2018/2019	
Community Services Department	
Budgeted amount	R 453 021.00
Amount spent	R 267 767.06
Variance	R 185 253.94
Technical Services Department	
Budgeted amount	R 437 788.00
Amount spent	R 363 372.46
Variance	R 74 415.54

4.7.2 Areas of training priority (as reflected in the IDP) for 2018/2019 are reflected as follows:

- National Diploma: Payroll
- National Diploma: IT
- Higher Certificate in Public Administration
- National Diploma: Local Government Law and Administration
- SAMTRAC Training
- Labour Law
- TLB Operator and Excavator Renewals of Licences
- BA Honours: Public Administration
- B Com Financial Management
- Facilities Management
- Local Economic Development Learnership
- Occupational Health and Safety Training
- Financial Management Training
- Social Media and Networking for efficient Public Relations
- Supply Chain Management Training
- Finance for Non- Financial Managers training
- Public Sector Forum Training
- Hazardous and Waste Management Training
- CPMD Programme
- Basic Records and Archives Training
- Facilities Management Training
- Performance Management Training
- OHVS Electrical Training

- Leadership in Municipal Governance Programme
- Brush Cutting Training
- Handling and Disposal of Waste Training
- Customer Care Training
- Veld Management Training
- 6th Biennial SAMEA Conference
- Basic Archives and Records Management
- Moderators Training
- SCoA for Budget Managers
- Effective Report Writing
- Intermediate Records and Archives
- Employment Equity Planning and Reporting
- Contract Management Training
- NEBOSH Training
- Report Writing
- Rules and Ethics Training
- Veld Management
- Electrical Trade Test
- Management and Leadership Training
- Media and Stakeholder Engagement Training
- Construction Contract Management
- Municipal Public Accounts Committee Training
- ND: Financial Management
- Introduction to SAMTRAC
- ADT Training
- Grader License Renewal
- TLB Renewals
- Excavator Renewals
- Basic Fire Fighter and First Aid Level 1 Training
- Office Management
- Training of Training Committees

Overall summary of training conducted

- 55 training initiatives were implemented during the 2018/2019 financial year. Training identified by departments are as a rule, implemented as the first priority.
- Budget dependent specific departmental interventions that contribute to increased operational efficiency are identified and funded. A Performance Recovery Plan has been put in place to assist the SDF with performance and to assist with innovative ways of stretching limited resources to implement more training interventions.

- The two Councillor Training initiatives were increased and in Quarter 3, two training initiatives were completed in order to improve the radio and TV interviewing skills (media training) and to remind Councillors of their oversight role (intergraded Council Induction Programme Phase 2). During Quarter 4, all councillors were trained on “Legislative Framework for Councillors Training”.
- Internships opportunities are created every 3 years and the current cycle is still running. Learnership opportunities were however created and all Departments benefited from these appointments. 4 FMG interns were employed during the 2018/2019 financial year. They are to be found in the departments of: Finance, Internal Audit and DTPS.

4.7.3 Skills Matrix

Skills Matrix														
Management Level	Gender	Number of Employee in post as at 30 June 2019.	Learnerships			Skills Programme and other Short Courses			Other Forms of Training			Total		
			Actual End of Year June 2018	Actual End of June 2018	Year 2018/19 Target	Actual End of Year June 2018	Actual End of June 2018	Year 2018/ 19 Target	Actual End of Year June 2019	Actual End of June 2018	Year 2019 Target	Actual End of Year June 2019	Actual End of June 2018	Year 2019 Target
MM and s56	Female	2	-	-	1	1	2	2	-	-	-	1	2	2
	Male	4	-	-	1	-	2	2	-	-	-		2	2
Councillors	Female	14	4	4	4	15	13	13	-	-	-	15	13	13
	Male	20	4	4	4	19	13	13	-	-	-	19	13	13
Senior Managers	Female	11	-	-	-	7	10	10	-	-	-	7	10	10
	Male	13	-	-	1	3	7	7	-	-	-	3	7	7
Technicians	Female	21	-	-	-	1	1	1	-	-	-	1	1	1
	Male	9	-	-	2	2	2	2	-	-	-	2	2	2
Professionals	Female	12	7	7	9	12	12	12	-	-	-	12	12	12
	Male	8	3	3	1	12	12	8	-	-	-	12	12	8
Sub Total	Female	60	11	11	14	36	38	38	-	-	-	36	38	38
	Male	54	7	7	9	36	36	32	-	-	-	36	36	32
Total		114	18	18	23	73	74	70	-	-	-	73	74	70
*Register with professional Associate Body e.g. CA (SA)														

Note: The reason behind more senior managers and professionals doing learnerships than was planned was due to the fact that top management took a decision that all middle managers should do CPMD as they are members of the Specifications and Evaluations Committee.

4.7.4 Financial Competency Development Report 2018/2019

FINANCIAL COMPETENCY DEVELOPMENT REPORT 2018/2019*						
Description	A Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated total A & B	Consolidated Competency Assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated Total Number of Officials whose Performance Agreements Comply with Regulation 16 (Regulation 14(4)(f))	Consolidated Total Number of Officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting Officer	1		1		1	1
Chief Financial Officer	1		1		1	1
Senior Managers	4		4		4	4
Any other Financial Officials	15		15		15	14
SCM Officials	2		2			1
Heads of SCM Management Units						
SCM Senior Managers						
Total	23		23		21	21

Note: The National Treasury template focuses on the financial officials and senior managers/directors only . The information that has been populated in the template this financial year reflects reporting as per the treasury template.

4.7.5 Comment on the Financial Competency Regulations

On 15 June 2007, National Treasury published the Municipal Regulations on Minimum Competency Levels in Government (Gazette No. 29976). These Regulations went on to prescribe the higher education qualifications, work related experience and Financial and Supply Chain Management (SCM) competency areas that were required to be met by all officials of South African municipalities/municipal entities who exercise financial management responsibilities.

The Certificate Programme in Municipal Finance Development was required to be obtained by the following officials to whom the competency level prescriptions apply nationally within local authorities:

- Accounting Officers – Municipal Managers;
- Chief Financial Officer's (CFO's);
- Senior Managers – Executive Directors;
- Heads of Supply Chain Management (SCM) Units – Directors: SCM;
- Managers of Supply Chain Management Units – Assistant Directors: SCM.
- SCM Officials; and
- Any other financial officials

As of 2018/2019 it must be noted that all senior managers were declared competent.

By way of summary it is stated within two reports submitted to the National Treasury - Quarter 2 on 12 December 2018 and in Quarter 4 June 2019, that all the current participants in the MFMP (Municipal Manager, CFO and 4 Directors and 16 Finance Officials) have completed the programme and all the staff members who are required to have the competencies will have so within the prescribed timeframes. Overall the reviews are positive regarding the current provider. In terms of the 16 Middle Managers who are required to complete this programme, it must be noted that: Manager: PMU has not yet completed this and Manager: Acquisitions, Contract Management and Vendor performance in the process of completing the 2019/2020 CPMD programme. In terms of Financial officials, finance officials other than the 16 required, are in the process of completing this during the 2019/2020 period (CPMD programme).

a. Staff Training conducted 2018/2019

Quarter 1	67 employees
Quarter 2	60 employees
Quarter 3	78 employees
Quarter 4	03 employees

b. Councillor training was conducted as follows:

Quarter 1:	08 Councillors
Quarter 2:	08 Councillors
Quarter 3:	39 Councillors
Quarter 4:	08 Councillors

c. Community Training Initiatives 2018/2019

It must be noted that despite training initiatives in the past, it must be noted that the current years targets could not be met. The Municipality does not have sufficient budget to include training initiatives for communities. In addition, it is noted that the Discretionary Grant from LGSETA had not been approved by LGSETA during 2018/2019. Reliance had in the past been placed on funding received from third parties (external sources). Moving forward, this target will be removed as Senqu Local Municipality does not have control over external funding (LGSETA), nor do they have sufficient budget to include training initiatives for communities.

4.7.6 Training Committee

The Training Committee met regularly (quarterly) to discuss and decide/approve training related issues. As a consultative forum this committee was comprised of the following representatives:

- Skills Development Facilitator
- Portfolio Head of Corporate Services (Chairperson)
- Director Corporate Services
- Manager: Human Resource, Labour Relations & Legal Services
- IDP Manager
- Manager: Community Services
- Manager: PMU
- HR Officer
- Electrician
- Manager: Revenue
- Manager: Roads
- Manager: Governance & Compliance
- Manager: DTPS
- Manager: Admin and Buildings
- Manager: Waste
- Manager: IGR
- SAMWU Representative (90%)

- IMATU Representation (10%)
- Personal Assistant in Community Service
- Manager: Communications and Political Affairs
- SPU Officer
- Internal Auditor
- IT Manager
- Labour Relations Officer

As required, the Workplace Skills Plan was compiled for the 2018/2019 financial year. This was adopted by Council (after having been signed off by Union).

As required and as in past years the Skills Development Facilitator (SDF) was appointed; the Workplace Skills Plan (WSP) was developed and approved; the training was implemented in terms of the WSP and as detailed, progress was made in a number of significant areas.

4.7.7 Skills Development Expenditure

SKILLS DEVELOPMENT EXPENDITURE (2018/2019)										
MANAGEMENT LEVEL	GENDER	EMPLOYEE NO. AS AT THE BEGINNING OF THE FINANCIAL YEAR	LEARNERSHIPS		SKILLS PROGRAMMES AND OTHER SHORT COURSES		OTHER FORMS OF TRAINING		TOTAL	
		NO.	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL
MM	Male	1	-	-	-	-	-	-	-	-
MM'S Office managers	Male	1	-	-	-	31 711.80	-	-	-	31 711.80
	Female	1	-	-	-	10 688.80	-	-	-	10 688.80
MM'S Office Professionals	Male	0	-	-	-	-	-	-	-	-
	Female	2	-	-	-	65 559.80	-	-	-	65 559.80
MM'S Office Clerks	Male	0	-	-	-	-	-	-	-	-
	Females	3	-	-	-	17 997.00	-	-	-	17 997.00
MM's Office interns	Male	1	-	-	-	-	-	-	-	-
	Female	1	-	-	-	14 750.00	-	-	-	14 750.00
Legislators	Male	19	-	150 000.00	-	66 500.00	-	-	-	216 500.00
	Female	15	-	-	-	52 500.00	-	-	-	52 500.00

Skills Development Expenditure (cont.)

SKILLS DEVELOPMENT EXPENDITURE (2018/2019) (Cont.)										
MANAGEMENT LEVEL	GENDER	EMPLOYEE NO. AS AT THE BEGINNING OF THE FINANCIAL YEAR	LEARNERSHIPS		SKILLS PROGRAMMES AND OTHER SHORT COURSES		OTHER FORMS OF TRAINING		TOTAL	
		NO.	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL
Director: Corporate services	Male	1	-	-	-	26 724.85	-	-	-	26 741.85
Corporate service s Manager	Male	0	-	-	-		-	-	-	0
	Female	3			-	21 600.00	-	-	-	21 600.00
Corporate services Professionals	Female	5		-	-	19 980.00	-	-	-	19 980.00
	Males	2		-	-	7 992.00	-	-	-	7 992.00
Corporate Services clerks	Male	1		-	-	7 200.00	-	-	-	7 200.00
	Female	3			-	26 200.00	-	-	-	26 200.00
Corporate services elementary workers/general workers	Males	2		-	-	22 000.00	-	-	-	22 000.00
	Female	2		-	-	27 769.10	-	-	-	27 769.10
Remaining was for unemployed	Males	0		-	-	-	-	-	-	-
	Female	2		-	-	-	-	-	-	-
Director Technical Services	Male	1		-	-	-	-	-	-	-

Skills Development Expenditure (cont.)

SKILLS DEVELOPMENT EXPENDITURE (2018/2019) (Cont.)										
MANAGEMENT LEVEL	GENDER	EMPLOYEE NO. AS AT THE BEGINNING OF THE FINANCIAL YEAR	LEARNERSHIPS		SKILLS PROGRAMMES AND OTHER SHORT COURSES		OTHER FORMS OF TRAINING		TOTAL	
		NO.	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL
Technical Services technicians	Male	3	-	-	-	-	-	-	-	-
	Female	1	-	-	-	-	-	-	-	-
Technical Services clerks	Males	0	-	-	-	-	-	-	-	-
	Female	2	-	-	-	-	-	-	-	-
Technical services machine operators and drivers	Males	11	-	-	-	35 998.50	-	-	-	35 998.50
	Female	0	-	-	-	-	-	-	-	-
Director Development and Planning	Female	1	-	-	-	33 591.70	-	-	-	33 591.70
IPME Managers	Males	2	-	-	-	15 791.70	-	-	-	15 791.70
	Female	2	-	-	-	-	-	-	-	-
IPME Professionals	Males	4	-	-	-	44 158.80	-	-	-	44 158.80
	Female	2	-	-	-	40 677.20	-	-	-	40 677.20
IPME clerks	Males	0	-	-	-	-	-	-	-	-
	Female	2	-	-	-	39 899.80	-	-	-	39 899.80

Skills Development Expenditure (cont.)

SKILLS DEVELOPMENT EXPENDITURE (2018/2019) (Cont.)										
MANAGEMENT LEVEL	GENDER	EMPLOYEE NO. AS AT THE BEGINNING OF THE FINANCIAL YEAR	LEARNERSHIPS		SKILLS PROGRAMMES AND OTHER SHORT COURSES		OTHER FORMS OF TRAINING		TOTAL	
		NO.	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL
Director Community Services	Males	0	-	-	-		-	-	-	-
	Female	1	-	-	-		-	-	-	-
Community Services Manager	Female	1	-	-	-		-	-	-	-
	Male	1	-	-	-		-	-	-	-
Community Services Professionals	Male	5	-	-	-	80 843.00	-	-	-	80 843.00
	Female	4	-	-	-	55 007.70	-	-	-	55 007.70
Community Services Clerks	Male	0	-	-	-	-	-	-	-	-
	Female	1	-	-	-	-	-	-	-	-
Community Services Elementary Workers	Female	2	-	-	-	2 995.75	-	-	-	2 995.75
	Male	30	-	-	-	81 417.20	-	-	-	81 417.20

Skills Development Expenditure (cont.)

SKILLS DEVELOPMENT EXPENDITURE (2018/2019) (Cont.)

MANAGEMENT LEVEL	GENDER	EMPLOYEE NO. AS AT THE BEGINNING OF THE FINANCIAL YEAR	LEARNERSHIPS		SKILLS PROGRAMMES AND OTHER SHORT COURSES		OTHER FORMS OF TRAINING		TOTAL	
		NO.	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL
Director Finance	Males	1								
Finance Managers	Male	3				34 075.58				34 075.58
	Female	1								
Finance Professionals	Males	6				12 000.00				12 000.00
	Females	8				55 035.00				55 035.00
Finance clerks	Males	2				7 200.00				7 200.00
	Females	7				62 999.00				62 999.00
Finance Trainees	Male	0								
	Female	2								

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

Senqu Municipality is required to manage all resources in the most effective manner and this includes the financial management thereof (i.e. workforce expenditure). In an effort to institute and maintain effective controls (thereby minimizing opportunities to overspend), strict adherence to policy and procedure is required. To this end, no appointments may be made without the appropriate approval and ensuring that the budget is allocated correctly.

Accordingly:

- Budgets are strictly controlled and over and/or under expenditure is reported on regularly (via monthly reporting);
- Staff appointments are made strictly in accordance with the relevant legislation and/or policy agreements; and
- Staffing issues rely on forward planning and ensuring that the correct appointments to the relevant post are made.

4.8 EMPLOYEE EXPENDITURE

4.8.1 Trends on total personnel expenditure (2010/2019)

FINANCIAL YEARS	TOTAL APPROVED OPERATING BUDGET	PERSONNEL EXPENDITURE (SALARY AND SALARY RELATED)	PERCENTAGE OF EXPENDITURE
2010 - 2011	162 817 822	43 121 392	26.48%
2011 – 2012	164 315 116	54 025 255	32.88 %
2012 – 2013	155 388 122	56 561 813	36.4%
2013 - 2014	156 024 245	58 113 939	37.24 %
2014 - 2015	189 054 435	64 189 227	34 %
2015 - 2016	201 479 756	73 236 687	36%
2016 - 2017	209 598 776	82 702 330	39.45%
2017 – 2018	262 745 059	93 028 794	35.41%
2018 - 2019	299 860 705	99 063 258	33.03%

a. Comment on Workforce Expenditure

The 2018/19 period was characterized by a decrease in personnel expenditure when compared with the previous period (2017/2018) i.e. 39.45% to 35.41%.

4.8.2 Disclosures of Financial Interest (Refer Appendix J)

Reference is made to Appendix J which details all information as required.

DISCLAIMER

The information provided within this report and chapter is reliant on the information provided by the various Directorates. Difficulties in validating data continues to be experienced and as such, the accuracy of all information provided cannot be assured.

It is the responsibility of all Directorates to provide the required information which is then required to be collated and submitted within the correct format. While it is acknowledged that certain directorates have attempted to provide this information as requested, many have not complied or submitted extremely late – perhaps due to recent issues that have surfaced in respect of certain contracts. Despite this, all parties are still within the employ of Senqu Municipality and are thus bound to provide required information and not to impede progress – especially in an area such as this, which has compliance responsibilities.

Staff within certain directorates appear to believe that it is the responsibility of the collators and the co - ordinators' to provide all required information. This is unacceptable as the report is that of Senqu Municipality (with each directorate taking full responsibility for information relating to their specific directorate). Content and the accuracy thereof is not the responsibility of the collators' and the coordinators' – their role is simply to obtain, collate, align and restructure information provided and not to verify this in any way. In addition, it is the technical responsibility of all relevant directorate staff to provide inputs regarding performance and issues within their own directorates. They are required to take responsibility for any inputs provided as they are aware on a functional level as to what information is applicable / relevant. Under these circumstances the collators and the coordinators cannot be held accountable for the quality/accuracy/absence of information provided or the lack thereof. The collators have been assured of the fact that the evidence and statistics provided are accurate in every sense and as such they are accepted as fact, notwithstanding any misgivings.

The information is thus being presented with the full knowledge that certain of the detail provided might not reflect the required levels of accuracy. It is further noted that every effort has been made to align reporting to the information contained within other strategic and reporting documents. Notwithstanding, it must be noted that at times the manner in which the information is presented in these other documents may not exactly correspond with the detail contained within this report especially as additional detail is provided. Under these

circumstances the collator is reliant on the information provided by the departments and is not able to validate this.

In instances where information is found to be lacking or inadequate you are hereby advised that the coordinator of this report has only been able to work with the information provided to them – and as much as they have attempted to validate this where possible they cannot be held accountable – for the reasons reflected above. This is an extremely serious situation and must be regarded and handled as such ---- failure to comply and provide accurate data may have serious consequences for Senqu Municipality – not the least of which will relate to an audit qualification. Under these circumstances it is advisable that this situation be taken up formally with MPAC and following investigation - those persons who are found to be non-compliant in this regard need to be issued with the relevant compliance order so that this matter may be addressed formally, appropriately and once and for all.

CHAPTER FIVE



FINANCIAL PERFORMANCE

2018/2019

Chapter 5:

FINANCIAL PERFORMANCE

5.1 INTRODUCTION TO FINANCIAL PERFORMANCE

As the global economic uncertainty and rising costs places inflationary pressure on the municipality, due care is exercised in order to ensure that effective financial management is maintained. In this regard, every effort is made to ensure that systems and procedures are in place so as to ensure that there are sound fiscal controls and an environment that promotes effective financial management and minimizes fruitless and wasteful expenditure. In addition, the municipality takes appropriate steps to ensure that operations are properly controlled – thereby maintaining efficient and effective service delivery to our consumers.

The 2018/2019 financial year has been particularly successful for Senqu Municipality in so far as financial management and proven financial sustainability is concerned. To verify this statement, it must be noted that Senqu Local Municipality was awarded a clean audit opinion for the year under review and additionally, it is recognised that for the past six (6) years in succession Senqu Local Municipality has been awarded a Clean Audit from the Auditor General and ranked by Ratings Africa as the number one (1) financial performer of local authorities within the Eastern Cape.

In addition, it must be noted that Senqu Local Municipality was chosen to be the pilot site for the implementation of mSCOA – which was applied nationally during 2016 as a matter of compliance. All aspects relating to mSCOA preparation are being incorporated within Senqu Municipality and its operating systems – ensuring that the financial and support systems integrate with mSCOA requirements and performance reporting.

The OPCA project (Operations Project Clean Audit) has progressed exceptionally well and the challenge moving forward is to ensure that this achievement is maintained.

With the introduction of GRAP, information has become more readily available and this allows information to be presented correctly in most instances. That being said, difficulties are experienced in respect of information required for property, plant and equipment, inventory, external valuations of employee benefits and tip site provisions.

Regular reporting and reporting of compliant and useful information is required from each directorate and should be regarded as mandatory – which it is. This information is critical for all other reporting and should be readily available at all times.

While specific detail on all aspects of finance are provided within the schedules attached, a simple set of standard practices are required in order to ensure that required information is provided in a useful manner.

5.2 STANDARD PRACTICES TO FACILITATE ACCURATE INFORMATION PROVISION

- 5.2.1 It is required that there is compliance regarding all reporting and in particular regarding the predetermined objectives - ensuring that they are written in accordance with the SMART principles.
- 5.2.2 Issues identified in terms of the Audit Action Plan are required to be addressed and appropriate “follow ups” conducted.
- 5.2.3 The Internal Audit and Audit Committee are required to work together in order to review the Strategic and Annual Performance Plans – ensuring that these are correctly addressed, and that appropriate and valuable reporting occurs.
- 5.2.4 The quality of quarterly and monthly reports is to be assessed and suitable and timeous action taken to rectify issues identified (financial, pre-determined targets or otherwise). Oversight from managers and the Internal Audit/Audit Committee is required; and
- 5.2.5 Zero tolerance will be implemented in respect of unauthorised, irregular, fruitless and wasteful expenditure and in respect of the potential qualification, due to the failure to detail and report on predetermined objectives and National Treasury views on non-priority spending.

5.3 FINANCIAL INDICATORS

The following dashboard information and tables indicate the municipality’s performance in terms of National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the MSA. These key performance indicators are linked to the National Key Performance Areas.

As an overall assessment, the following indicators are highlighted:

FINANCIAL INDICATORS	2017/2018	2018/2019
Capital charges to Operating Expenditure	23%	9.7%
Liquidity: times	8.8	7.51
Outstanding debtors to Annual Revenue	6.9%	25.82%
Creditors to cash	3%	5%
IDP REGULATION FINANCIAL VIABILITY FIGURES		
Debt Coverage	97.5%	16.6%
Outstanding Service Debtors	74%	27%
Cost Coverage	23 Months	25 Months

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

5.4 INTRODUCTION TO FINANCIAL STATEMENTS

Statements of Financial Performance are reflected in the tables that follow.

Note: Reference is made to **Appendix K** in which “Statements of Revenue Collection Performance by Vote and by Source” are included.

This component provides an overview of financial performance of the municipality and focuses on its financial health.

5.4.1 Statements of Financial Performance – 2018/2019 in comparison with previous financial year 2018/2019 Actuals

SENQU LOCAL MUNICIPALITY STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2019			
		2019	2018
		R	R
	Notes	(Actual)	(Actual)
REVENUE			
REVENUE FROM NON-EXCHANGE TRANSACTIONS		227 296 561	193 542 905
Taxation Revenue		13 438 943	5 996 567
Property Rates	20	13 438 943	5 996 567
Transfer Revenue		192 350 510	177 992 131
Transfers and Subsidies - Capital	21	46 990 687	33 606 115
Transfers and Subsidies - Operating	21	145 359 823	144 367 274
Public Contributions and Donations - Capital		-	18 742
Other Revenue		21 507 109	7 527 706
Actuarial Gains	17	3 706 873	4 024 645
Fines, Penalties and Forfeits	22	136 750	410 879
Insurance Receipts		301 554	109 682
Gain on Fair Value Adjustments of Investment Property	8	16 784 000	2 982 500
Gain on Disposal of Capitalised Restoration Cost (PPE)	11	577 932	-
REVENUE FROM EXCHANGE TRANSACTIONS		72 564 144	70 128 859
Operating Activities		72 564 144	70 128 859
Service Charges	23	44 536 971	41 980 287
Rental from Fixed Assets	24	831 418	1 210 237
Interest Earned - external investments		21 702 912	20 576 605
Interest Earned - outstanding debtors	25	2 375 747	3 204 240
Licences and Permits		1 243 088	1 295 286
Agency Services		1 053 937	975 474
Sales of Goods and Rendering of Services	26	299 925	442 500
		520 146	444 229
Operational Revenue	27		
TOTAL REVENUE		299 860 705	261 645 265

5.4.1 Statements of Financial Performance – 2018/2019 in comparison with previous financial year 2018/2019 Actuals – continued from previous page

SENQU LOCAL MUNICIPALITY STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2019			
		2019	2018
		R	R
	Notes	(Actual)	(Restated)
EXPENDITURE			
Employee related costs	28	86 819 589	81 279 734
Remuneration of Councillors	29	12 243 669	11 704 078
Debt Impairment	30	9 809 905	7 287 564
Depreciation and Amortisation	31	18 865 199	18 499 903
Impairment Loss	32	138 605	4 065 406
Actuarial Losses	17	226 510	38 647
Finance Charges	33	2 694 013	2 876 497
Bulk Purchases	34	33 393 648	25 599 340
Contracted services	35	28 657 848	20 205 894
Transfers and Subsidies	36	550 000	-
Operating Leases	37	107 809	131 132
Operational Cost	38	37 890 521	29 871 637
Loss on Disposal of Fixed and Intangible Assets	39	437 414	2 454 595
TOTAL EXPENDITURE		231 834 731	203 803 963
NET SURPLUS FOR THE YEAR		68 025 974	57 841 301

During the financial year 2018/2019 Senqu Municipality achieved an operating surplus of R 68 025 974. Actual results as compared with planned budget outcomes can be observed in the table that follows, with explanations provided for material variances.

5.4.2 Statements of Financial Performance: Budget Comparisons Operating Revenue

SENQU LOCAL MUNICIPALITY STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2019				
COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET				
	2019	2019	2019	
	R	R	R	
	(Actual)	(Final Budget)	(Variance)	
REVENUE BY SOURCE				
Property rates	13 438 943	8 246 650	5 192 293	63%
Service charges	44 536 971	50 813 239	(6 276 268)	-12%
Rental of facilities and equipment	831 418	109 894	721 524	657%
Interest earned - external investments	21 702 912	15 000 000	6 702 912	45%
Interest earned - outstanding debtors	2 375 747	2 266 000	109 747	5%
Fines	136 750	158 239	(21 489)	-14%
Licences and permits	1 243 088	1 121 254	121 834	11%
Agency services	1 053 937	942 700	111 237	12%
Transfers and Subsidies - Operating	145 359 823	144 317 750	1 042 073	1%
Other revenue	22 190 430	4 803 062	17 387 368	362%
TOTAL OPERATING REVENUE	252 870 018	227 778 788	25 091 230	
EXPENDITURE BY TYPE				
Employee related costs	86 819 589	85 235 662	1 583 928	2%
Remuneration of councillors	12 243 669	12 955 431	(711 762)	-5%
Debt impairment	9 809 905	5 962 966	3 846 939	65%
Depreciation & asset impairment	19 003 804	20 271 862	(1 268 058)	-6%
Finance charges	2 694 013	3 015 748	(321 735)	-11%
Bulk purchases	33 393 648	35 690 734	(2 297 086)	-6%
Other Material	-	14 223 215	(14 223 215)	-100%
Contracted services	28 657 848	33 312 163	(4 654 316)	-14%
Transfers and Subsidies	550 000	586 000	(36 000)	-6%
Other expenditure	38 224 841	29 934 700	8 290 141	28%
Loss on disposal of PPE	437 414	-	437 414	100%
TOTAL OPERATING EXPENDITURE	231 834 731	241 188 480	(9 353 749)	

NOTE: Operating Revenue shows an increased variance of R 25 091 230 as compared to the estimated Operating Revenue at financial year end. This can be ascribed to the higher than expected property rates revenue that was realized due to numerous factors that included: a

completeness of rates project, improved budgetary controls resulting in cash savings and money taken to investments resulting in more interest income. It is further noted that the figure for “other revenue” was greater than anticipated due to the actuarial gains that had not been budgeted for, in addition to the increases in the fair value of investment properties.

Note: The operating expenditure came in at a variance of R 9 353 749. This may be directly attributable to a Cost Containment Strategy that was implemented, which reduced expenditure across the categories of expenses.

5.4.3 Expenditure Authorised in Terms of Section 32 of the MFMA

a. **Unauthorised Expenditure**

During the 2018-2019 financial year, no unauthorised expenditure was incurred by Senqu Local Municipality.

BUDGET COMPARISON BY VOTE - UNAUTHORISED EXPENDITURE CURRENT YEAR - OPERATING

Unauthorised expenditure - Operating	2019 (Actual)	2019 (Final Budget)	2019 (Unauthorised)
	R	R	R
Executive & Council	29 497 037	30 330 484	-
Planning & Development	17 407 121	19 482 612	-
Corporate Services	33 586 938	33 901 159	-
Public Safety	1 736 162	1 744 824	-
Budget & Treasury	28 407 393	31 051 009	-
Road Transport	24 901 446	24 948 192	-
Environmental protection	0	0	-
Waste Water Management	3 959 763	4 235 865	-
Electricity	49 084 659	52 185 895	-
Community & Social Services	10 510 013	10 547 144	-
Sport & Recreation	2 058 989	2 066 851	-
Total	231 834 731	241 188 480	

BUDGET COMPARISON BY VOTE - UNAUTHORISED EXPENDITURE CURRENT YEAR (CAPITAL)

Unauthorised expenditure - Capital	2019 (Actual)	2019 (Final Budget)	2019 (Unauthorised)
	R	R	R
Executive & Council	571 953	1 093 830	-
Planning & Development	159 765	183 730	-
Corporate Services	4 077 344	6 202 560	-
Public Safety	4 280 600	5 570 000	-
Budget & Treasury	452 425	844 240	-
Road Transport	22 329 971	29 299 500	-
Electricity	7 810 809	10 814 834	-
Community & Social Services	548 740	1 359 000	-
Sport & Recreation	363 659	1 015 000	-
Waste Management	17 027 305	23 512 290	-
Total	57 622 571	79 894 984	

Note: No Unauthorised Capital Expenditure was incurred for the year under review

b. Expenditure Authorised in Terms of Section 32 of the MFMA

Fruitless & Wasteful Expenditure

Fruitless and Wasteful expenditure for the financial year (2018/19) amounted to R 74 692 and R 34 692 was incurred during the previous financial year.

INCIDENT	DISCIPLINARY STEPS/ CRIMINAL PROCEEDINGS	2019	2018
Interest paid to DBSA	None		28 828
Interest paid to SARS	None		5 864
Penalties paid – Dept. Transport	None	74 692	
TOTAL		74 692	34 692

Irregular Expenditure

Irregular expenditure increased from R 0 to R 14 235 461 during the 2018/2019 financial year. This occurred due to deviations from supply chain management regulations and non-compliance with the BBBEE Act. Management has subsequently identified that an award was made to a contractor that was not in compliance with the BBBEE Act. The amount reflected as irregular expenditure represents the expenditure paid to date. This has resulted in the figure for irregular expenditure increasing during the 2018/2019 financial year.

IRREGULAR EXPENDITURE CONSISTS OUT OF THE FOLLOWING:	2019	2018
Deviations from Supply Chain Regulations and Policies - Disciplinary processes have not been initiated	R 27 444	R 0
Non-compliance with the BBBEE Act	R 14 208 016	R 0
Total	R 14 235 461	R 0

5.5 GRANTS

SENQU LOCAL MUNICIPALITY APPENDIX E (UNAUDITED) DISCLOSURE OF TRANSFERS AND SUBSIDIES FOR THE YEAR ENDING 30 JUNE 2019						
	OPENING BALANCE	GRANTS RECEIVED	INTEREST ON INVESTMENTS	TRANSFERRED TO REVENUE (OPERATING)	TRANSFERRED TO REVENUE (CAPITAL)	CLOSING BALANCE
	R	R	R	R	R	R
NATIONAL GOVERNMENT						
Equitable Share	-	136 434 000	-	136 434 000	-	-
Municipal Finance Management	-	1 700 000	-	1 700 000	-	-
Municipal Infrastructure Grant	3 027 904	37 755 000	-	1 887 750	38 895 154	-
NDPG (Neighbourhood Development Partnership Grant)	2 010 056	-	-	-	-	2 010 056
Integrated National Electrification Grant	677 707	5 983 000	-	650 772	5 486 858	523 077
EPWP (Expanded Public Works Program)	-	2 796 000	-	2 796 000	-	-
Total	5 715 667	184 668 000	-	143 468 522	44 382 012	2 533 133
PROVINCIAL GOVERNMENT						
Prov. Gov - Housing (Hillside)	232 652	-	-	-	-	232 652
Herschel People's Housing	9 970 771	-	552 414	-	-	10 523 185
Libraries	-	1 500 000	-	1 500 000	-	-
Provincial Public Works	-	2 999 976	-	391 301	2 608 675	-
Total	10 203 424	4 499 976	552 414	1 891 301	2 608 675	10 755 838
ALL SPHERES GOVERNMENT	15 919 090	189 167 976	552 414	145 359 823	46 990 687	13 288 971

5.5.1 Comments regarding Grant Funding

- It is noted that the dispute issues experienced within the Herschel Housing Project prevented work from continuing and progressing as planned.

5.6 ASSET MANAGEMENT

5.6.1 Introduction to Asset Management

The Municipal Finance Management Act No. 56 of 2003 clearly states in Section 62[1][a] that the Accounting Officer of a Municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that the resources of the municipality are used effectively, efficiently and economically.

It is acknowledged that an Accounting Officer of a municipality is responsible for the management, safeguarding and maintenance of assets and liabilities and must for this purpose, take all reasonable steps to ensure that the municipality has and implements the following:

- Maintain a management, accounting and information system that accounts for the assets and liabilities of the municipality;
- Ensure that assets and liabilities are valued in accordance with the standards of Generally Recognised Accounting Practice; and
- Maintain a system of internal control of assets and liabilities, including an Asset and Liabilities Register.

5.6.2 Roles & Responsibilities

a. Role of the Municipal Manager

As the Accounting Officer of the municipality, the Municipal Manager is regarded as the principal custodian of the entire municipality's fixed assets. Accordingly, the Municipal Manager is responsible for ensuring that the Fixed Asset Management Policy is scrupulously applied and adhered to. The Municipal Manager may in terms of section 79 of the Municipal Finance Management Act, No 56 of 2003 delegate this responsibility.

b. Role of the Senior Managers

Chief Financial Officer

The Chief Financial Officer shall be the Fixed Asset Registrar of the municipality and is required to ensure that a complete, accurate and up-to-date computerized fixed asset register is maintained. No amendments, deletions, additions or transfers between departments to the Fixed Asset Register shall be made other than by the Chief Financial Officer, or by an official acting under the written instruction of the Chief Financial Officer.

The Chief Financial Officer shall:

- Ensure implementation of the Asset Management and Insurance Policy;
- Ensure the verification of all assets in possession of council annually, as at 30 June each year, within the last three months of that specific financial year;
- Keep a complete and balanced record (assets register) of all assets in possession of the council; and
- Report in writing on all asset losses to the council.

Other Senior Managers

- The responsibility for the physical control of assets rests with the relevant Head of Department to whom the responsibility was delegated in terms of section 79 of the Municipal Finance Management Act, No 56 of 2003;
- Each Head of Department shall ensure that assets entrusted to him / her are adequately maintained, properly used and insured and ensure that section 78 of the Municipal Finance Management Act, no 56 of 2003, is adhered to;
- The Chief Financial Officer must approve any transfer of assets between departments after arrangements between the relevant heads of departments are made;
- Upon the resignation / retirement of an employee, the applicable Head of Department must inform the Chief Financial Officer and Corporate Service Department in writing that the inventory and asset items entrusted to that employee, to execute his / her duties are in good order and returned. When necessary, the applicable Head of Department must inform the Corporate Services Department of any losses and the value of such losses. The ultimate responsibility of any losses lies with the relevant Head of Department.

The Municipalities Asset Management Policy was adopted by council on 28 May 2017 as part of the budget related policies.

Although capacity within the municipality's asset management section is limited due to the size of the municipality, capacitation programmes have been identified and increased internal control over assets is observed. This clearly shows the commitment from management to ensure that capacity is improved.

Additions during the financial year for capital assets amounted to R 45 948 919 which include the following categories of assets as reflected in the following table. Note: This does not include an amount of R 32 352 for intangible assets (not included in the table below).

5.6.3 Capital Assets 2018/2019

30 June 2019	Additions R
Land and Buildings	4 259 431
Land	250 557
Buildings	4 008 873
Infrastructure	46 811 895
Roads	22 366 681
Storm water	83 650
Solid Waste	16 627 574
Electricity	7 733 990
Community Assets	4 302 766
Sports Fields	223 412
Node Development	-
Parks & Gardens	3 718 426
Cemetery	182 857
Other	178 071
Other Assets	2 199 175
Motor Vehicles	-
Plant & Equipment	854 079
Office Equipment	6 997
Furniture & Fittings	46 413
Loose Equipment	31 405
Computer Equipment	1 260 281
Total	57 573 267

5.6.4 Table: Schedule A9 Asset Management Summary Sheet

		2015/16	2016/17	2017/18	Current Year 2018/19			2019/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport		122 458	137 345	152 595	173 265	171 962	171 962	192 726	212 495	233 329
Infrastructure - Electricity		12 788	20 618	25 883	34 150	34 098	34 098	37 946	43 216	49 326
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		13 969	13 773	16 264	35 481	28 252	28 252	47 584	47 329	47 061
Infrastructure		149 243	171 736	194 742	242 896	234 312	234 312	278 255	303 040	329 716
Community		31 968	40 438	41 925	54 775	56 444	56 444	63 931	62 580	62 107
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		22 201	28 312	30 323	33 541	33 375	33 375	33 375	33 375	33 375
Other assets		119 681	123 338	148 025	128 472	153 276	153 276	166 590	185 081	184 743
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		220	393	318	953	601	601	548	492	434
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	323 313	364 216	415 333	460 637	478 008	478 008	542 700	584 568	610 373

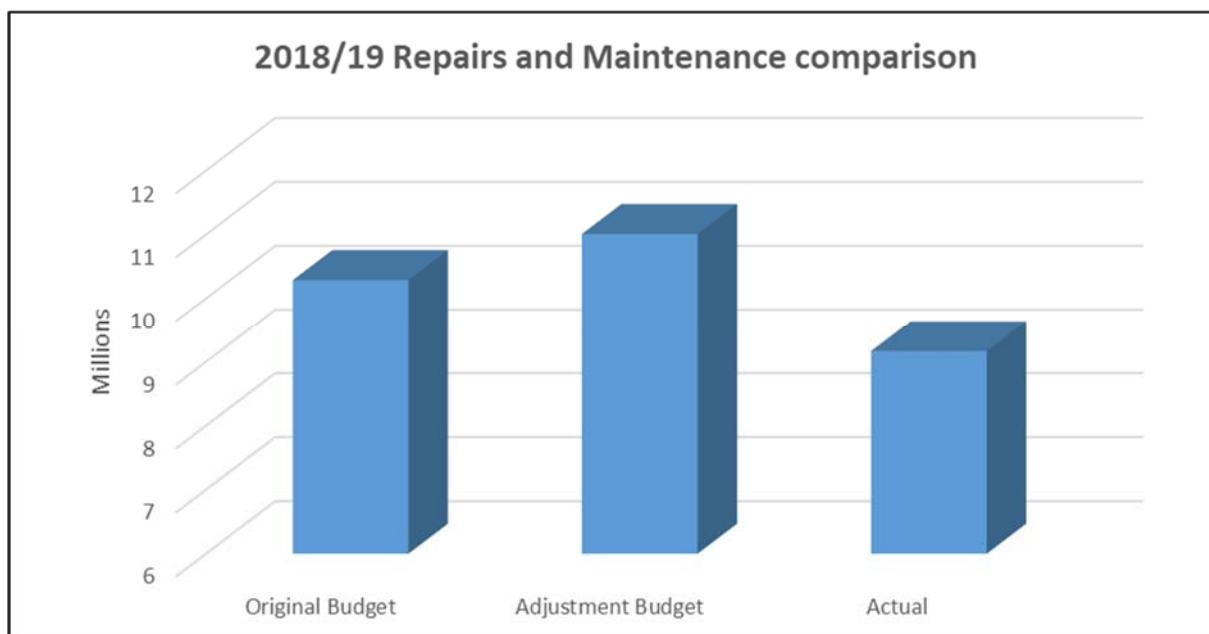
5.6.5 Repairs & Maintenance (2018/2019)

<i>Repairs and Maintenance Expenditure Year June 2019</i>				
Repairs and Maintenance Expenditure	Original Budget	Adjustment Budget	Actual	Budget variance %
Totals	R10 287 981	R11 009 112	R9 167 747	-17 % Variance – Adjusted Budget vs. Actual Exp. R/M

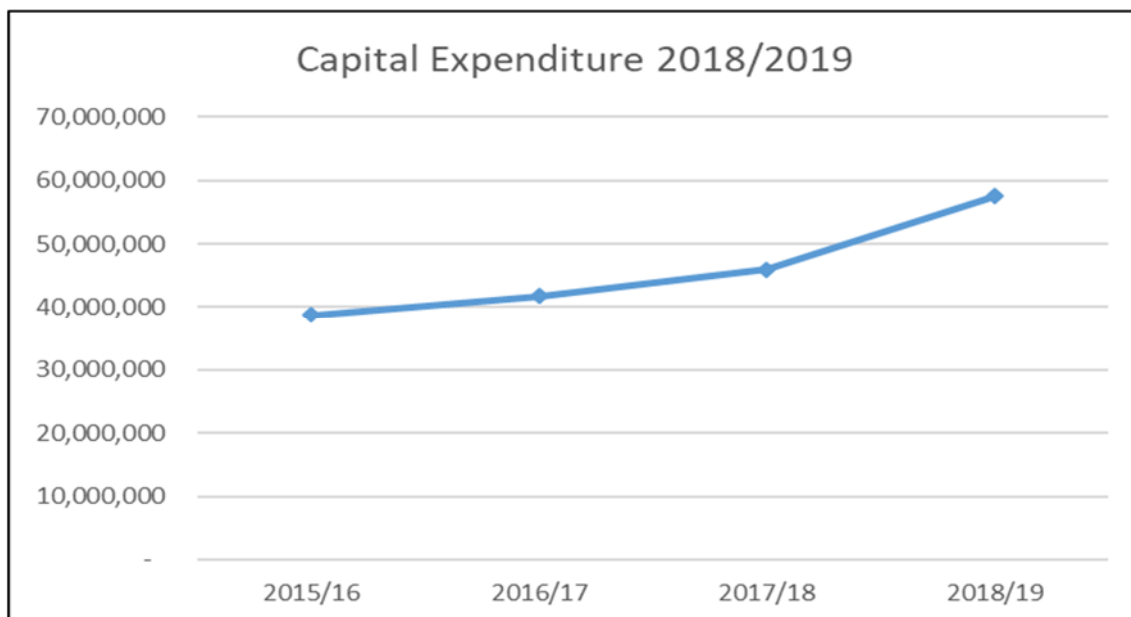
a. Comments on Repairs and Maintenance:

- During the Adjustment Budget process, the original amount for repairs and maintenance was increased from R 10 287 981 to R 11 009 112 (R 721 131 increase); and
- The Adjustment Budget was subsequently underspent by 17% due to planned maintenance not occurring as planned in the adjustment budget phase, with actual expenditure amounting to R9 167 747. Reference is made to the graph below for a comparison of basis for the table above.

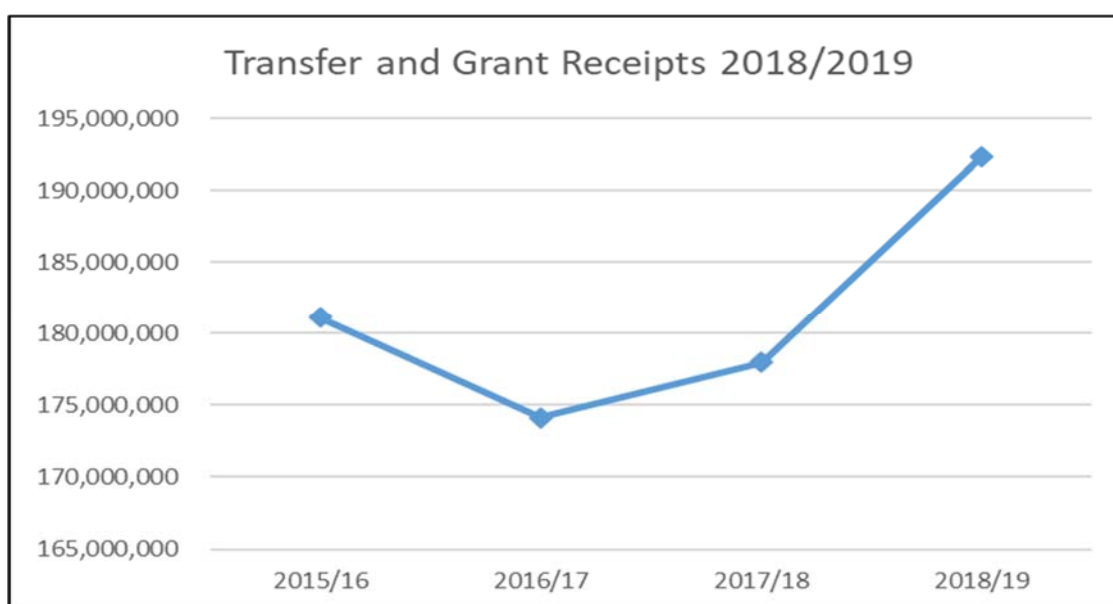
Repairs and Maintenance Comparison 2018/2019



5.7 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

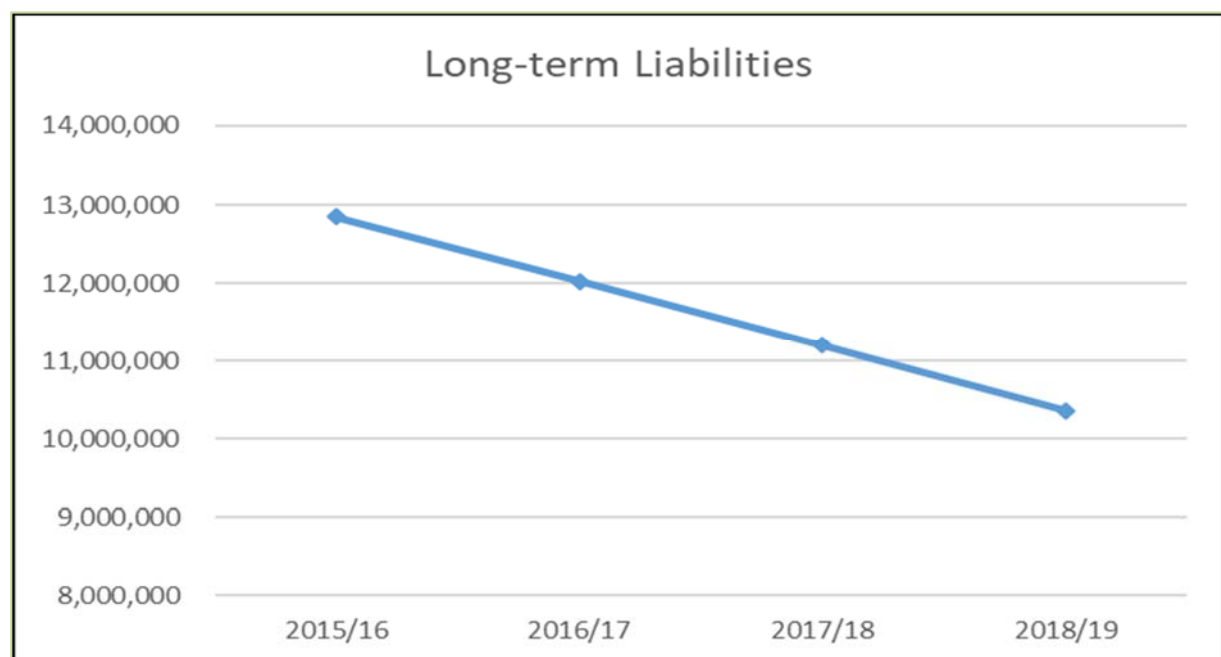
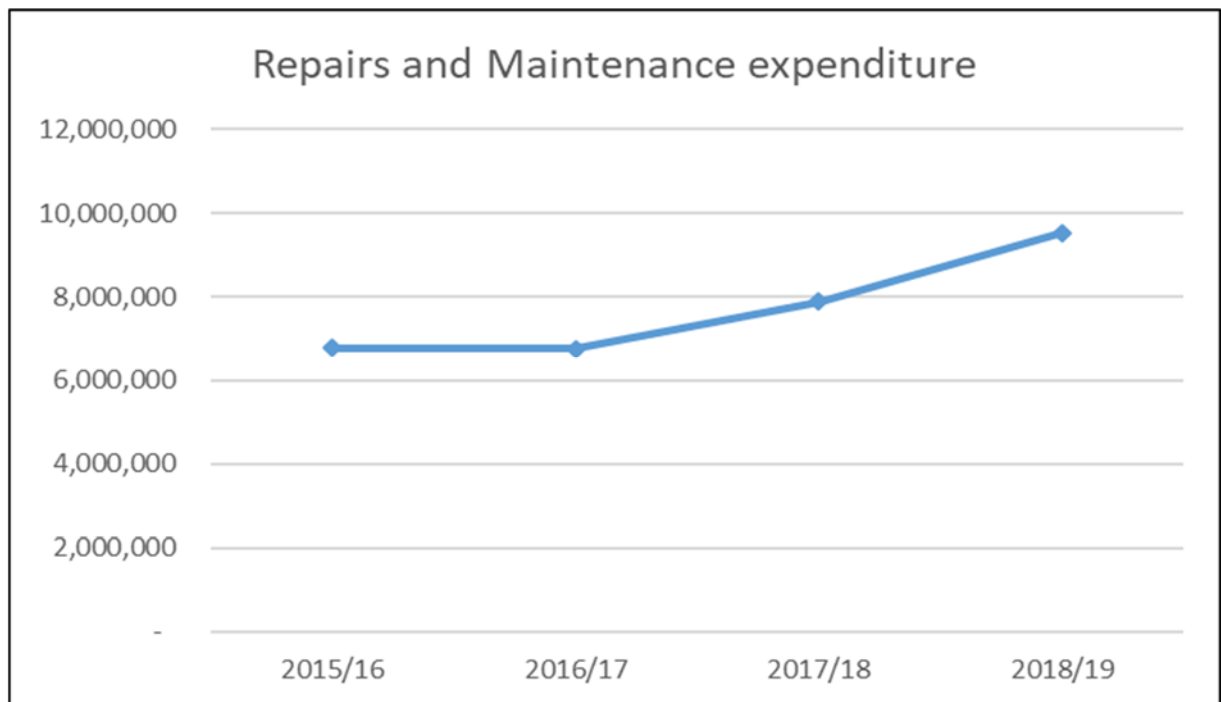


The Graph above shows the movement of Capital Expenditure from the financial year 2014-2015 to the financial year 2018-2019.



The Graph above shows the estimated increase of total grant receipts for Senqu Municipality over the MTREF.

The Graph below show the movement of expenditure for repairs and maintenance from the financial year 2014-2015 to the financial year 2018-2019.



Long term liabilities are expected to decrease within the future financial period as initial loans are redeemed and no additional loans are expected to be undertaken.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.8 INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

In this regard it must be noted that:

- Capital expenditure relates mainly to construction projects that will have lasting value over many years; and
- Capital expenditure is funded from grants and the municipality's Capital Replacement Reserve.

5.8.1 Table : Sengu Municipality's Capital Acquisition Programme

Description R thousand	Ref 1	2015/16	2016/17	2017/18	2018/19	Current Year 2018/19			2019/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Actual 2018/19	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Infrastructure		20 129	27 204	33 384	34 627	45 857	48 441	48 441	56 158	56 325	49 187
Infrastructure - Road transport		17 278	19 644	24 190	22 649	25 454	29 200	29 200	25 454	18 700	34 350
Roads, Pavements & Bridges		12 698	17 189	24 190	22 649	25 454	29 200	29 200	25 454	18 700	34 350
Storm water		4 580	2 455	—	—	—	—	—	—	—	—
Infrastructure - Electricity		2 349	7 220	6 175	7 325	8 283	9 228	9 228	8 283	6 200	11 037
Generation		—	—	—	—	—	—	—	—	—	—
Transmission & Reticulation		2 349	2 987	2 987	—	—	—	—	—	—	—
Street Lighting		—	4 233	—	—	—	—	—	—	—	—
Infrastructure - Water		—	—	—	—	—	—	—	—	—	—
Dams & Reservoirs		—	—	—	—	—	—	—	—	—	—
Water purification		—	—	—	—	—	—	—	—	—	—
Reticulation		—	—	—	—	—	—	—	—	—	—
Infrastructure - Sanitation		—	—	—	—	—	—	—	—	—	—
Reticulation		—	—	3 018	—	—	—	—	—	—	—
Sewerage purification		—	—	—	—	—	—	—	—	—	—
Infrastructure - Other		502	340	—	—	—	—	—	22 421	31 425	—
Waste Management		502	340	—	4 652	12 120	10 013	10 013	22 421	31 425	3 800
Transportation	2	—	—	—	—	—	—	—	—	—	—
Gas		—	—	—	—	—	—	—	—	—	—
Other	3	—	—	—	—	—	—	—	—	—	—

5.8.1 Table : Senqu Municipality's Capital Acquisition Programme (cont.)

Description	Ref 1	2015/16	2016/17	2017/18	2018/19	Current Year 2018/19			2019/22 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Actual 2018/19	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Community		11 996	5 957	11 496	3 758	7 962	5 774	5 774	11 162	7 300	1 843
Parks & gardens		91	70	555	–	–	–	–	600	800	–
Sportsfields & stadia		11 616	1 626	7 600	3 122	7212	5 000	5 000	1100	–	–
Swimming pools		–	–	–	–	–	–	–	–	–	–
Community halls		–	–	1 608	139	–	159	159	1 500	3 300	500
Libraries		–	–	–	–	–	–	–	–	–	–
Recreational facilities		–	–	–	223	250	224	224	–	–	–
Fire, safety & emergency		–	–	–	–	–	–	–	–	–	–
Security and policing		–	–	–	–	–	–	–	–	–	–
Buses	7	–	–	–	–	–	–	–	–	–	–
Clinics		–	–	–	–	–	–	–	–	–	–
Museums & Art Galleries		–	–	–	–	–	–	–	–	–	–
Cemeteries		289	4 232	337	183	500	300	300	500	4 000	744
Social rental housing	8	–	–	–	–	–	–	–	–	–	–
Other		–	30	1 396	90	–	91	91	8 562	–	600

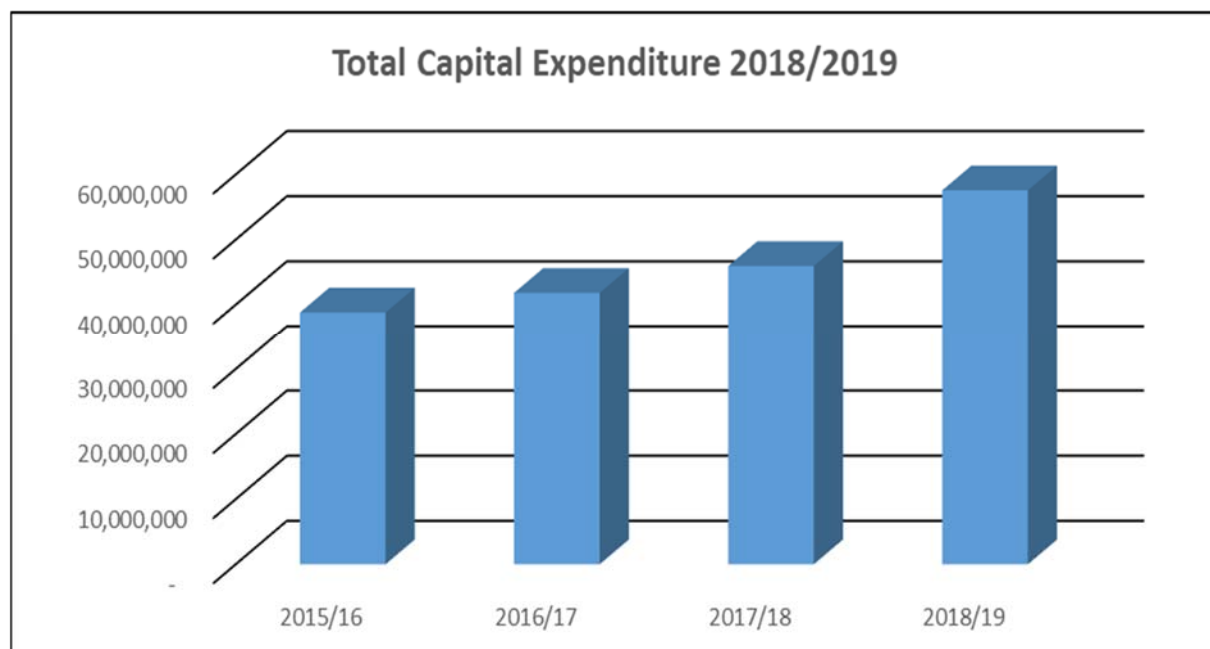
5.8.1 Table : Senqu Municipality's Capital Acquisition Programme (cont.)

Description R thousand	Ref 1	2015/16	2016/17	2017/18	2018/19	Current Year 2018/19			2019/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Actual 2018/19	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Other assets	1 0	19 158	12 714	3 124	2 608	4 947	5 130	5 130	15 400	6 380	–
General vehicles		4 929	1 325	425	–	1 700	1 500	1 500	1 700	–	–
Specialised vehicles		–	612	–	–	–	858	858	–	–	–
Plant & equipment		1 025	1 075	715	893	1 200	1 842	1 842	1 137	–	–
Computers - hardware/equipment		–	383	1 241	1 342	1 137	110	110	110	–	–
Furniture and other office equipment		2 402	594	459	59	110	322	322	–	–	–
Abattoirs		–	–	–	–	–	–	–	–	–	–
Markets		–	–	–	–	–	–	–	–	–	–
Civic Land and Buildings		–	–	–	60	200	160	160	–	–	–
Other Buildings		10 802	8 724	19	–	–	–	–	5 500	7 500	–
Other Land		–	–	265	–	–	–	–	–	–	–
Surplus Assets - (Investment or Inventory)		–	–	–	–	–	–	–	–	–	–
Other		–	–	–	254	–	260	260	–	–	–
Intangibles		–	10	247	–	600	400	400	–	–	–
Computers - software & programming		–	10	247	–	600	400	400	600	–	–
Other		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure	1	47 075	38 810	42 071	40 992	58 766	59 345	59 345	77 567	71 125	51 031

5.9 CAPITAL EXPENDITURE

The following graph indicates the Capital Expenditure over the next three (3) years (2015/2016 – 2018/2019):

Total Capital Expenditure 2018/2019



5.10 SOURCES OF FINANCE

The table below shows the sources of finances to be used for Capital Acquisitions for Senqu Municipality. It must be noted that the municipality mainly uses the MIG Grant Funding and its Capital Replacement Reserves to fund capital acquisitions:

CAPITAL EXPENDITURE	ORIGINAL BUDGET 2019 R	BUDGET ADJUSTMENTS 2019 R	FINAL BUDGET 2019 R	ACTUAL OUTCOME 2019 R	BUDGET VARIANCE 2019 R	RESTATED OUTCOME 2018 R
CAPITAL EXPENDITURE (FUNDING SOURCES)						
National Government	41 850 250	3 678 000	45 528 250	44 382 012	(1 146 239)	33 606 115
Provincial Government	3 000 000	-	3 000 000	-	(3 000 000)	-
Transfers recognised - capital	44 850 250	3 678 000	48 528 250	44 382 012	(4 146 239)	33 606 115
Internally generated funds	32 717 000	(1 350 266)	31 366 734	13 240 559	(18 126 175)	12 342 804
Total Capital Funding	77 567 250	(2 327 734)	79 894 984	57 622 571	(22 272 413)	45948 919

5.11 CAPITAL SPENDING ON PROJECTS

The following table details the infrastructure assets and related progress through expenditure on these assets, during the financial year 2018 /2019.

INFRASTRUCTURE ASSETS 2017/2018	EXPENDITURE 2018/2019
Community Hall Ward 9 (Kwa Ngquba)	261,186.62
Renovations 2d Floor	3,281,228.51
CAPEX_New_SolidWastesite Hersc	79,033.83
Pedestrian Bridge Ward 5	847,929.51
Paved Streets in Herschel	566,891.43
Lady Grey Solid Waste Site	1,032,337.16
Barkly East Solid Waste Site	9,208,015.57
Tienbank Ward 10 Roads	1,957,547.00
Renovations Town Hall Barkly East	157,525.35
Fencing: Kwezi Naledi Sportsfield	139,032.98
Boysi Nondala 6km Paved Roads	12,354,796.91
Roads between Esilindini & Frans	1,283,155.53
Construction of Lady Grey Animal Pound	3,548,898.91
Parking bay - Lady Grey	221,183.33
CAPEX_New_Construction BE Ceme	182,856.14
6km Access Roads Ward 1	805,215.00
6km Access Roads Ward 2	309,000.00
CAPEX_New Access Control	42,962.61
Poles and Nets Sportsfields	194,271.12
CAPEX_New_SolidWastesite Hersc	79,033.83
New Solid Waste Site Ward 10	380,070.32
CAPEX_New_Old Sterkspruit SWS	4,851,208.11
DOE project - Senqu Electrification of wards	5,359,597.61
Installation of meters	1,815,889.34
Street lights Kwezi Primary School	141,146.96
EPWP SideWalks BoyceNondala	3,406,350.55
TOTAL	52 506 364

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.12 INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Having displayed excellent financial management and investment practices, it must be noted that the municipality is currently experiencing an extremely favourable cash flow and finds itself in a position to meet its long- and short-term commitments in a timely manner. It must be noted that the Council of the municipality is regarded as the trustee of the public revenue that it collects, and it therefore has an obligation to the community to ensure that the municipality's cash resources are effectively and efficiently managed. Under these circumstances, the Council has a responsibility to invest these public revenues knowledgeably and judiciously and must be able to account fully to the community in respect of these investments. The overall responsibility of investments lies with the Municipal Manager. However, it must be noted that the day-to-day handling of investments remains the responsibility of the Chief Financial Officer or his/her delegates.

As part of the Cash Management Programme, the Chief Financial Officer prepares an annual estimate of the municipality's cash flow divided into calendar months and updates these estimates on a monthly basis. These estimates shall indicate when and for what periods and amounts surplus revenues may be invested; when and for what amounts investments will have to be liquidated and when (if applicable), either long-term or short-term debt must be incurred.

5.13 CASH FLOW

The table that follows will detail comparisons regarding Senqu Municipalities Cash Flow for 2018/2019 financial year:

SENQU LOCAL MUNICIPALITY STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS CASH FLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2019				
COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET	2019 R (Actual)	2019 R (Final Budget)	2019 R (Variance)	
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Property rates	11 844 326	7 421 985	4 422 341	60%
Service charges	33 949 178	45 731 915	(11 782 737)	-26%
Other revenue	4 386 818	6 111 928	(1 725 109)	-28%
Government - operating	147 317 726	144 317 750	2 999 976	2%
Government - capital	41 850 250	48 528 250	(6 678 000)	-14%
Interest	20 351 851	15 000 000	5 351 851	36%
Refund on VAT returns - VAT 201s	15 718 919	-	15 718 919	100%
Payments				
Suppliers and Employees	(196 700 516)	(211 930 163)	15 229 647	-7%
Finance charges	(936 913)	(3 015 748)	2 078 835	-69%
Transfers and Grants	(550 000)	(586 000)	36 000	-6%
NET CASH FROM OPERATING ACTIVITIES	77 231 639	51 579 917	25 651 723	

SENQU LOCAL MUNICIPALITY STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS CASH FLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2019				
COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET	2019 R (Actual)	2019 R (Final Budget)	2019 R (Variance)	
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	1 348	-	1 348	0%
Payments				
Capital assets	(57 622 571)	(79 894 984)	22 272 413	-28%
NET CASH USED IN INVESTING ACTIVITIES	(57 621 223)	(79 894 984)	22 272 413	
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Increase in consumer deposits	65 660	78 207	(12 547)	-16%
Payments				
Repayment of borrowing	(840 713)	(840 916)	203	0%
NET CASH USED IN FINANCING ACTIVITIES	(775 053)	(762 709)	(12 343)	
NET INCREASE/(DECREASE) IN CASH HELD	18 835 363	(29 077 777)	47 911 792	
Cash and Cash Equivalents at the beginning of the year	294 260 038	294 259 338	700	0%
Cash and Cash Equivalents at the end of the year	313 095 400	265 181 561	47 913 839	18%

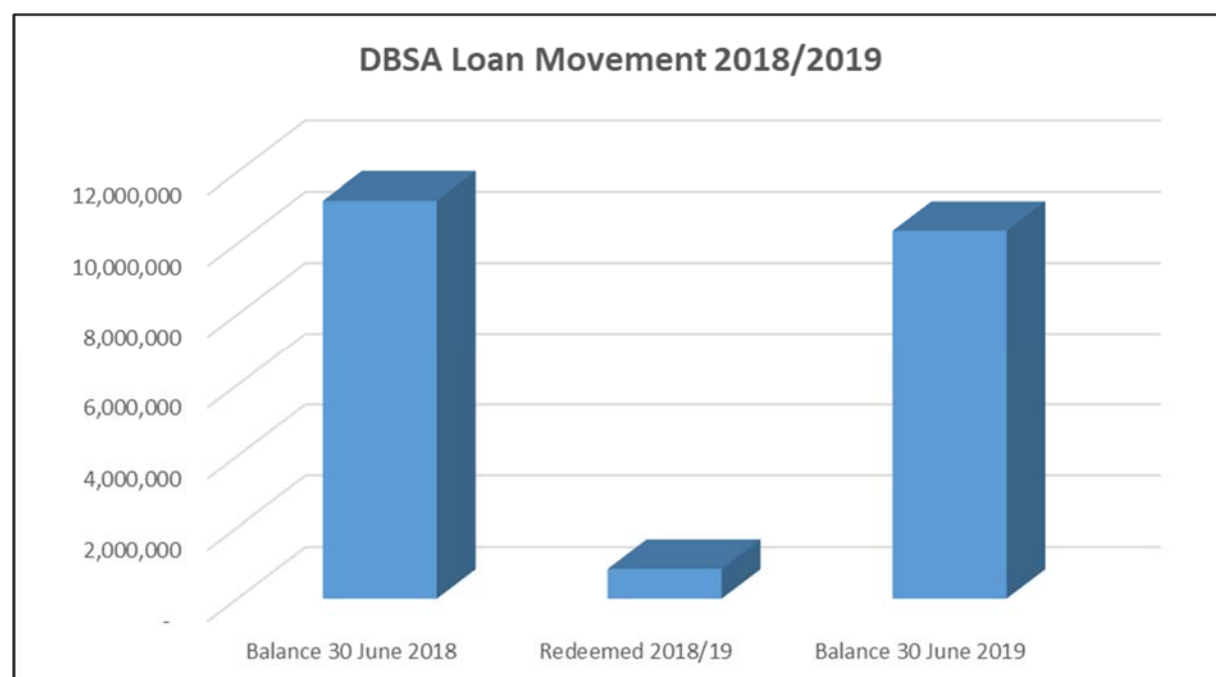
5.14 BORROWING FROM INVESTMENTS

5.14.1 Introduction to Borrowing and Investments

The Municipality currently has two (2) long term borrowing commitments and both are payable to the Development Bank of South Africa.

One loan relates to the extension of the Senqu Municipality office building and the second loan relates to the purchase of electrical infrastructure, in order to reduce electricity losses and improve service delivery.

Table: DBSA LOAN MOVEMENTS



5.15 *PUBLIC PRIVATE PARTNERSHIPS*

5.15.1 Public Private Partnerships

Note: Council has not entered into any private public partnerships during this financial year.

COMPONENT D: OTHER FINANCIAL MATTERS

5.16 SUPPLY CHAIN MANAGEMENT

5.16.1 Introduction to Supply Chain Management

The Council and management remain committed to ensuring that there is compliance with all SCM legislation and regulations in order to ensure that fair and transparent tender processes are followed at all times and to ensure full compliance with the applicable legislation. In support of this, the Municipal SCM Policy has been reviewed and approved by council during the previous financial year as part of the review of all budget related policies.

In order to comply with section 119 of the MFMA all members serving on Bid Specification, Evaluation and Adjudication Committees and all SCM staff are attending National Treasury approved training in order to ensure that they meet the prescribed minimum competency levels relating to supply chain management (SCM).

Various other control measures are also being implemented in order to ensure that SCM practices are effected in a fair, equitable and transparent manner. Supply Chain Management continues to be seen as an area of priority for top management.

5.17 GRAP COMPLIANCE

5.17.1 Introduction to GRAP Compliance

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. The Municipality is currently in full compliance with all provisions of GRAP.

The financial statements have been prepared using an accrual basis of accounting and are in accordance with historical cost convention, unless otherwise specified.

The financial statements have been prepared in accordance with the Municipal Finance Management Act (MFMA) and effective standards of Generally Recognised Accounting Practices (GRAP), including any interpretations and directives issued by the Accounting Standards Board (ASB). This has occurred in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

The Municipality resolved to adopt the following GRAP standards, which have been issued, but are not required to be in effect until 1 April 2018:

STANDARD	DESCRIPTION	EFFECTIVE DATE
GRAP 12 (2017)	Inventories	1 April 2018
GRAP 16 (2017)	Investment Property	1 April 2018
GRAP 17 (2017)	Property, Plant and Equipment	1 April 2018
GRAP 21 (2017)	Impairment of non-cash-generating assets	1 April 2018
GRAP 26 (2017)	Impairment of cash-generating assets	1 April 2018
GRAP 27 (2107)	Agriculture	1 April 2018
GRAP 31 (2017)	Intangible Assets	1 April 2018
GRAP 103 (2017)	Heritage Assets	1 April 2018

DISCLAIMER

The information provided within this report is reliant on the information provided by the various Directorates. Difficulties in validating data continues to be experienced and as such, the accuracy of all information provided cannot be assured.

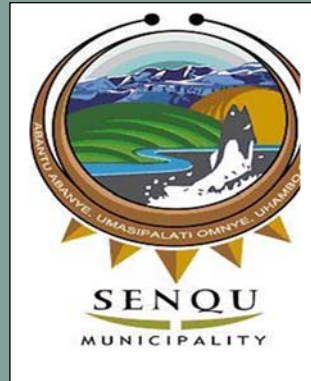
It is the responsibility of all Directorates to provide the required information which is then required to be collated and submitted within the correct format. While it is acknowledged that certain directorates have attempted to provide this information as requested, many have not complied or submitted extremely late – perhaps due to recent issues that have surfaced in respect of certain contracts. Despite this, all parties are still within the employ of Senqu Municipality and are thus bound to provide required information and not to impede progress – especially in an area such as this, which has compliance responsibilities.

In addition to the dynamics currently at play, it appears that staff within other directorates appear to believe that it is the responsibility of the collators and the co - ordinators' to provide all required information. This is unacceptable as the report is that of Senqu Municipality (with each directorate taking full responsibility for information relating to their specific directorate). Content and the accuracy thereof is not the responsibility of the collators' and the coordinators' – their role is simply to obtain, collate, align and restructure information provided and not to verify this in any way. In addition, it is the technical responsibility of all relevant directorate staff to provide inputs regarding performance and issues within their own directorates. They are required to take responsibility for any inputs provided as they are aware on a functional level as to what information is applicable / relevant. Under these circumstances the collators and the coordinators cannot be held accountable for the quality/accuracy/absence of information provided or the lack thereof.

The information within this chapter is being presented with the full knowledge that certain of the detail provided might not reflect the required levels of accuracy. It is further noted that every effort has been made to align reporting to the information contained within other strategic and reporting documents.

In instances where information is found to be lacking or inadequate you are hereby advised that the coordinator of this report has only been able to work with the information provided to them – and as much as they have attempted to validate this where possible they cannot be held accountable – for the reasons reflected above.

This is an extremely serious situation and must be regarded and handled as such ---- failure to comply and provide accurate data may have serious consequences for Senqu Municipality – not the least of which will relate to an audit qualification. Under these circumstances it is advisable that this situation be taken up formally with MPAC and following investigation - those persons who are found to be non-compliant in this regard need to be issued with the relevant compliance order so that this matter may be addressed formally, appropriately and once and for all.



Audit Committee Findings

2018/2019

CHAPTER SIX

CHAPTER 6:

This chapter will detail the following audit related information:

- Report of the auditor general to the Eastern Cape Provincial Legislature and the council of Senqu Municipality (Reference is made to Chapter 1 section 1.5 (Auditor General's Report) 2018/2019
- Component A: Audit Committee Report on Service Delivery 2017/2018
- Component B: Audit Committee Report on Service Delivery 2018/2019
- Component C: Report of the Audit Committee to the Council of the Senqu Municipality for the year ended 30 June 2019

Report of the auditor-general to Eastern Cape Provincial Legislature and Council on Senqu Local Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Senqu Local Municipality set out on Annexure Volume 1 pages 1 to 112 which comprise the statement of financial position as at 30 June 2019, the statement of financial performance, statement of changes in net assets and cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Senqu Local Municipality as at 30 June 2019, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No 56 of 2003) (MFMA) and Division of Revenue Act of South Africa, 2018 (Act No. 01 of 2018) (DORA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the municipality in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* and, parts 1 and 3 of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

7. As disclosed in note 41 to the financial statements, the corresponding figures for 2017-18 were restated as a result of an error in the financial statements of the municipality for the year ended, 2017-18.

Irregular expenditure

8. As disclosed in note 45.3 to the financial statements the municipality incurred irregular expenditure of R14,2 million as it did not follow a proper tender process.

Material losses – electricity

9. As disclosed in note 45.4 to the financial statements, material electricity distribution losses of 4.1 million kilowatt units (2017-2018: 3.4 million kilowatt units) was incurred, which represents 16%% (2017-2018: 14%) of total electricity purchased.

Other matter

10. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited disclosure notes

11. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting officer for the financial statements

12. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the MFMA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
13. In preparing the financial statements, the accounting officer is responsible for assessing the Senqu Local Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

14. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

16. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected development priority presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
17. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
18. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priority presented in the annual performance report of the municipality for the year ended 30 June 2019:

Development priority	Pages in the annual performance report
KPA 2 – basic services and infrastructure development	4 - 20

19. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
20. I did not raise any material findings on the usefulness and reliability of the reported performance information for this development priority.

Other matters

21. I draw attention to the matters below.

Achievement of planned targets

22. Refer to the annual performance report on pages 2 to 3 for information on the achievement of planned targets for the year.

Adjustment of material misstatements

23. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of basic services and infrastructure development. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

24. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
25. I did not raise material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

26. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected development priority presented in the annual performance report that have been specifically reported in this auditor's report.
27. My opinion on the financial statements, the reported performance information and compliance with legislations do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.s
28. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priorities presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
29. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate, however, if it is corrected this will not be necessary

Internal control deficiencies

30. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

31. I did not identify any significant deficiencies in internal control.

East London

30 November 2019

Auditor-General



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected development priorities and on the municipality's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - conclude on the appropriateness of the accounting officer/ accounting authority's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Senqu Local Municipality's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease continuing as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

COMPONENT A: AUDIT COMMITTEE REPORT ON SERVICE DELIVERY 2017/2018

6.1 AUDIT COMMITTEE REPORT ON SERVICE DELIVERY YEAR 2017/2018

Audit Committee on Service Delivery: June 2018 (Previous Financial Year)

During the Financial Year, 2017/2018, Senqu Municipality achieved a clean audit report with emphasis of matter. The response to the issues raised and the required remedial action is reflected in the report below:

AUDIT COMMITTEE REPORT SERVICE DELIVERY: 30 JUNE 2018		
#	Non-Compliance Issues: Emphasis of Matter	Remedial Action Taken
1	The municipality does not have a permit or license for all of the landfill sites currently in use and could be liable for a penalty in terms of section 24 (g) of the Environmental Conservation Act, 1997.	Recommended: Analysis of all Landfill Sites and obtaining permits <ol style="list-style-type: none">1. An analysis is to be formally conducted regarding the status of each individual landfill site in order to establish whether all aspects of compliance have been met.2. A register of the status of all Landfill sites is to be compiled and submitted to Council for information.3. Where non-compliance is found a consultant is required to be appointed through the supply chain process in order to assist the municipality in obtaining the permit for the landfill site.4. Progress reporting from the service provider is to be strictly monitored in order to ensure that compliance is achieved in all areas by 1 September 2018.

AUDIT COMMITTEE REPORT SERVICE DELIVERY: 30 JUNE 2018 (cont.)		
#	Non-Compliance Issues: Emphasis of Matter	Remedial Action Taken
2	Material losses As disclosed in note 44.4 to the financial statements, the municipality incurred distribution losses relating to electricity totalling R1,9 million (2016: R1,6 million). The amount disclosed for material losses is above the acceptable range.	Recommended: Investigative and practical intervention 1. Workshops/discussions are held regarding methodology to minimize Electricity related distribution losses. 2. An Action Plan is developed, approved and implemented. 3. Distribution losses are monitored and measured and reported on monthly while ensuring that appropriate action will be taken in order to minimize losses.

The performance and annual financial statements were presented fairly, in all material respects, the financial position of the Senqu Municipality as at 30 June 2018 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and DORA.

COMPONENT B: AUDIT COMMITTEES REPORT ON AUDITOR GENERAL'S OPINION ON SERVICE DELIVERY 2018/2019

6.2 AUDIT COMMITTEE REPORT ON SERVICE DELIVERY YEAR 2018/2019

During the Financial Year 2018/2019, Senqu Municipality achieved a clean audit report with emphasis of matter. The response to the issues raised and the required remedial action is reflected in the report below:

AUDIT COMMITTEE REPORT SERVICE DELIVERY: 30 JUNE 2019		
#	Non-Compliance Issues: Emphasis of Matter	Remedial Action Taken
7	<p>Restatement of corresponding figures</p> <p>As disclosed in note 41 to the financial statements, the corresponding figures for 2017-18 were restated as a result of an error in the financial statements of the municipality for the year ended, 2017-2018.</p>	<p>Recommended:</p> <ol style="list-style-type: none"> 1. Due care in order to ensure that misstatements are avoided. Notwithstanding issue resolved through required re-statement.
8	<p>Irregular expenditure</p> <p>As disclosed in note 45.3 to the financial statements the municipality incurred irregular expenditure of R14,2 million as it did not follow a proper tender process.</p>	<p>Recommended:</p> <ol style="list-style-type: none"> 1. Tender processes are to be followed to the letter and all involved parties work shopped extensively in order to ensure correct application of policies; 2. Supply Chain section to ensure that all aspects of policies and processes understood and applied and all committees to meet timeously; take decisions appropriately and to ensure that timeframes are adhered to e.g. Variation orders signed timeously and liaison, reporting and correct and timeous performance management of projects (liaison between project managers, supply chain managers and suppliers) as this is risk for irregular expenditure; and 3. Internal control procedures actioned and audited to ensure compliance.
9.	<p>Material Losses Electricity</p> <p>As disclosed in note 45.4 to the financial statements, material electricity distribution losses of 4.1 million kilowatt units (2017-2018: 3.4 million kilowatt units) was incurred, which represents 16%% (2017-2018: 14%) of total electricity purchased.</p>	<p>Recommended:</p> <p>Investigative and practical intervention</p> <ol style="list-style-type: none"> 1. Workshops/discussions are held regarding methodology to minimize Electricity related distribution losses. 2. An Action Plan is developed, approved and implemented. 3. Distribution losses are monitored and measured and reported on monthly while ensuring that appropriate action will be taken in order to minimize losses.

The performance and annual financial statements were presented fairly, in all material respects, the financial position of the Senqu Municipality as at 30 June 2019 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and DORA.

COMPONENT C: REPORT OF THE AUDIT COMMITTEE TO THE COUNCIL OF THE SENQU MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2019

REPORT OF THE AUDIT COMMITTEE TO THE COUNCIL OF THE SENQU MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2019

In accordance with Section 166 of the Municipal Finance Management Act 56 of 2003 (the MFMA), the Audit Committee has been established as an Independent Committee of Council. The Committee has adopted formal terms of reference, which are reviewed annually and approved by Council.

The Committee presents its report for the financial year ended 30 June 2019.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

In the year under review, the Committee consisted of four members and five Audit Committee meetings were held. In addition, and as demanded by good corporate governance norms; separate exclusive meetings were held with the Auditor General of South Africa as well as with the Head of Internal Audit. Internal Audit facilitates audit committee meetings and the Auditor General of South Africa is a standing invitee at these meetings and generally attends the majority of them.

Below is a summary of the Audit Committee Meetings held and the attendance thereof by the members respectively:

Name of member	Number of meetings attended
Mr D Mrwetyana (Chairperson)	5
Mr R Hill	5
Mr L Govender	5
Ms T Sobhuza	2

AUDIT COMMITTEE RESPONSIBILITY

The responsibility of the Audit Committee is to exercise an oversight function on the effectiveness of good corporate governance in the Municipality. The MFMA prescribes the minimum specific responsibilities to be executed and fulfilled by the Audit Committee. This report gives account on these legislated responsibilities.

EFFICIENCY AND EFFECTIVENESS OF INTERNAL CONTROL

The Auditor General in their review of the internal control system, identified that there were no significant or material deficiencies in the internal control system. Accordingly, their conclusion is that the internal control environment functioned adequately in the year under review.

Internal Audit identified occasional lapses in the internal control system on performance reporting, however, those lapses did not result in material misstatements on the audit report.

INTERNAL AUDIT ACTIVITY

Internal Audit continued to be effective in the year under review, wherein the unit executed and fulfilled its mandate as envisaged by Section 165 of the Municipal Finance Management Act encapsulated in the internal audit plan and in the internal audit charter.

It is however acknowledged that there were some challenges related to the capacity of the Internal Audit due to unavailability of senior personnel (Chief Audit Executive) of the unit. This might have had an impact on the quality of the work performed by the unit although the unit has performed the tasks planned except for those that the unit did not perform based on competency and capacity.

RISK MANAGEMENT

Risk Management was considered to be effective in the year under review. The Committee however acknowledges that there is no fully functional internal risk management committee which would be assessing risks throughout the year.

ACCOUNTING POLICIES

Accounting policies adopted by the Municipality in the current year were in accordance with Generally Recognised Accounting Practice standards, accordingly, there were no audit findings on accounting policies.

REVIEW AND EVALUATION OF THE ANNUAL FINANCIAL STATEMENTS

The review of the financial statements has identified that the Municipality does not have permit or licences for all of the landfill sites currently in use and could be liable for a penalty in terms of section 24 (g) of the Environmental Conservation Act, 1997, and this is brought to the attention of the Council.

In addition, the Auditor General of South Africa has identified irregular expenditure incurred by the Municipality. The irregular expenditure was as a result of the appointed supplier providing an invalid BEE certificate to the Municipality and as a result the supplier was evaluated based on that invalid document. The Municipality is expected to further investigate the matter and follow all appropriate steps to close the matter accordingly.

PERFORMANCE MANAGEMENT

The Municipality is still experiencing challenges on reporting on performance management. As such the AGSA reported that there were material findings identified which were subsequently addressed by management.

GOVERNANCE

Governance at the Municipality for the year under review was effective, accordingly neither the Auditor General nor Internal Audit raised any issues on governance except for the appointment of the Chief Audit Executive. The Chief Audit Executive was appointed in the 2019/2020 financial year.

COMPLIANCE WITH THE MFMA AND OTHER APPLICABLE LEGISLATION

The AGSA reported that there was no material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA. The internal audit also did not identify any significant non-compliance during the execution of their plan, though non-compliance relating to website was identified.

COMPARISON TO PRIOR YEAR

There were no material misstatements reported by the AGSA in their audit report in the 2017/18 and 2018/19 financial years respectively and the Municipality maintained a clean audit report.

CONCLUSION

The Municipality maintained a clean audit opinion in the 2018/2019 financial year. This is a result of the effectiveness of the overall governance function at the institution.



D Mrwetyana
Audit Committee Chairperson
For and on behalf of the Audit Committee
17 January 2020

DISCLAIMER

The information provided within this report is reliant on the information provided by the various Directorates and in this chapter from the Auditor General and the Audit Committee Chairperson.

The collators are dependent on submissions received and have accepted these in good faith.

In instances where information is found to be lacking or inadequate you are hereby advised that the coordinator of this report has only been able to work with the information provided to them – and as much as they have attempted to validate this where possible they cannot be held accountable. Any issues of non-compliance must be taken up with MPAC following investigation and addressed formally.

2018/2019



Senqu Municipality

INCLUSIVE OF SERVICE PROVIDER
REPORTING

GLOSSARY

Accessibility Indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within those particular areas. If not provided it may endanger the public health and safety or the environment
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs
Distribution indicators	The distribution of capacity to delivery services.

GLOSSARY (CONT.)

Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key Performance Indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally
Impact	The results of achieving specific outcomes, such as reducing poverty and reducing jobs
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are “what we use to do the work”. They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Sets out municipal goals and development plans
National Key Performance Areas	<ul style="list-style-type: none"> ▪ Service delivery & Infrastructure ▪ Economic development ▪ Municipal transformation and institutional development ▪ Financial viability & management ▪ Good governance & community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution’s strategic goals and objectives set out in its plans. Outcomes are “what we wish to achieve”.
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as “what we produce or deliver”. An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunisation, or a service such as processing an application) that contributes to the achievement of a Key Result Area.

GLOSSARY (CONT.)

Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered).
Performance Information	Generic terms for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timelines, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets	The level of performance that municipalities and its employees strive to achieve. Performance targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines "vote" as</p> <ol style="list-style-type: none"> One of the main segments into which a budget of the municipality is divided for the appropriation of money for the different departments or functional areas of the municipality, and That which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

APPENDIX A

COUNCILLORS, COMMITTEES AND COUNCIL ATTENDANCE					
COUNCIL MEMBERS	FULL TIME/ PART TIME	COMMITTEES ALLOCATED	*WARD AND/OR PARTY REPRESENTED	% COUNCIL MEETINGS ATTENDANCE	% APOLOGIES FOR NON- ATTENDANCE
N. P Mposelwa – Mayor	Full Time	EXCO	Party Representative	77.77	22.22
I. Mosisidi Speaker	Full Time	Rules and Ethics	Ward Councillor- Ward 17	100	0
A.P. Kwinana	Part Time	MPAC	Party Representative	100	0
N. January	Part Time	Corporate Services	Party Representative	100	0
G.N. Mbonyana	Part Time	Corporate Services	Party Representative	66.66	33.33
N.R. Lose	Part Time	Financial Services	Party Representative	88.88	11.11
V.V. Stokhwe	Part Time	Chief Whip	Party Representative	88.88	11.11
P Jeje	Part Time	MPAC	Ward Councillor – Ward 01	100	0
J. Mposelwa	Part Time	Technical Services	Ward Councillor – Ward 02	88.88	11.11
M.A. Mshasha	Part Time	MPAC	Ward Councillor – Ward 16	88.88	11.11
S.M Ntlwatini	Part Time	Financial Services	Ward Councillor – Ward 03	88.88	11.11
Mqakelana	Part Time	Community Services	Ward councillor – Ward 04		0
K.S Mpiti-Xhelesha	Part Time	Financial Services	Ward councillor – Ward 08	77.77	22.22
J.D Somsila	Part Time	Community Services	Ward Councillor – Ward 09	88.88	11.11
M.H Rorwana	Part Time	MPAC	Ward Councillor – Ward 11	100	0
N. Nyongwana	Part Time	Development & Planning Services	Ward Councillor – Ward 12	100	0
Z.S Khoba	Part Time	Financial Services	Ward Councillor – Ward 13	100	0
T.M Dumzela	Part Time	Technical Services	Ward Councillor – Ward 14	100	0

APPENDIX A (CONT.)

COUNCILLORS, COMMITTEES AND COUNCIL ATTENDANCE					
COUNCIL MEMBERS	FULL TIME/ PART TIME	COMMITTEES ALLOCATED	*WARD AND/OR PARTY REPRESENTED	% COUNCIL MEETINGS ATTENDANCE	% APOLOGIES FOR NON-ATTENDANCE
N.C Mraji	Part Time	Community Services	Ward Councillor – Ward 06	88.88	11.11
M. N Gojo	Part Time	DTPS	Ward Councillor – Ward 07	100	0
M. Phuza	Part Time	Technical Services	Ward Councillor – Ward 15	77.77	22.22
X.G Magcai	Part Time	Technical Services	Party Representative DA	100	0
S. Mfisa	Part Time	Corporate Services	Ward Councillor – Ward 10	66.66	33.33
B. Moeletsi	Part Time		Party Representative EFF		55.55
P. M Mnisi	Part Time	Corporate Services	Party Representative SCA	88.88	11.11
M.N Mgojo	Part Time	EXCO	Party Representative SCA	100	0%
B.S Maqala	Part Time		Party Representative SCA	66.66	33.33
S.S. Ndzongana	Part Time	EXCO	Ward Councillor – Ward 05	77.77	22.22
M.C Kibe	Part Time	Technical Services	Party Representative SCA	77.77	22.22
M.T.N Sehloho	Part Time	DTPS	Party Representative SCA	55.55	44.44
N.M Phama	Part Time	Rules and Ethics	Party Representative SCA	100	0
A.W Mkanagala	Part Time	Rules and Ethics	Party Representative SCA		16.66
M. Ndoda	Part Time		Party Representative SCA	83.33	16.66 Replaced Cllr Maqungu from Jan 2017
N.Y Monakali	Part time	Corporate Services	Party Representative DA	100	0

COMMITTEES & COMMITTEE PURPOSES

COMMITTEES (OTHER THAN MAYORAL /EXECUTIVE COMMITTEE) AND PURPOSE OF COMMITTEES	
Municipal Committees	Purpose of Committee
Audit Committee	Administrative Oversight
Municipal Public accounts committee	Oversight
Local Labour Forum	Labour related Issues
Training Committee	Training and Employment Equity Issues
Bid Committees	Bid/Specification/Tender Adjudication
Performance Management Evaluation	Assessment of Performance
Mandate Committee	To carry out and discuss all the mandatory issues of the Council
Remuneration Committee	To carry out and discuss all the remuneration issues of the Council
Strategic and Governance Committee	To carry out and discuss all the Strategic issues of the Council
Ethics Committee	To carry out and discuss all the ethical issues of the Council
Corporate and Support Services Committee	To discuss, recommend and dealing with council related business.
Community Services Committee	To discuss, recommend and dealing with council related business.
Technical Services Committee	To discuss, recommend and dealing with council related business.
Budget & Treasury Committee	To discuss, recommend and dealing with council related business.
Development and Planning Committee	To discuss, recommend and dealing with council related business.
Occupation Health and Safety Committee	To carry out and discuss all the Occupational and Health issues of the Council
Employment Equity Committee	To carry out and discuss all the Employment Equity issues of the Council

THIRD TIER ADMINISTRATIVE STRUCTURE

THIRD TIER STRUCTURE	
Directorate	Director/Manager (state title and name)
Financial Services	Chief Financial Officer: Mr K. Fourie (Acting)
Technical Services	Director: Mr R Crozier
Development and Planning Services	Director: Ms P L Bushula
Community Services	Director: Ms C L N Gologolo
Corporate Services	Director: Mr T E Wonga

FUNCTIONS OF MUNICIPALITY/ ENTITY

MUNICIPAL / ENTITY FUNCTIONS		
Municipal Functions	Function Applicable to Municipality Yes/No	Function applicable to Entity Yes/No
Constitution Schedule 4, Part B functions		
Air Pollution	No	N/A
Building Regulations	Yes	N/A
Child care facilities	No	N/A
Electricity and gas reticulation	Yes	N/A
Firefighting services	No	N/A
Local tourism	Yes	N/A
Municipal airports	No	N/A
Municipal Planning	Yes	N/A
Municipal Health Services	No	N/A
Municipal Public Transport	No	N/A
Municipal Public Works only in respect of the needs of municipalities to administer functions specifically assigned to them under this Constitution or any other law	Yes	N/A
Pontoons, ferries , jetties, piers & harbours, excluding the regulation of international & national shipping & matters related thereto	No	N/A
Storm water management systems in built-up areas	Yes	N/A
Trading regulations	Yes	N/A
Water and sanitation services limited to potable water supply systems and domestics waste water and sewage disposal systems	Yes	N/A
Beaches and amusement facilities	No	N/A
Billboards and the display of advertisements in public area	Yes	N/A

APPENDIX D (CONT.)

MUNICIPAL / ENTITY FUNCTIONS		
Municipal Functions	Function Applicable to Municipality Yes/No	Function applicable to Entity Yes/No
Constitution Schedule 4, Part B functions		
Cemeteries, funeral parlours and crematoria	Yes	N/A
Cleansing	Yes	N/A
Control of public nuisances	Yes	N/A
Control of undertakings that sell liquor to the public	Yes	N/A
Facilities for the accommodation, care and burial of animals	Yes	N/A
Fencing and fences	Yes	N/A
Licensing of dogs	Yes	N/A
Licensing and control of undertakings that sell food to the public	Yes	N/A
Local amenities	Yes	N/A
Local sport facilities	Yes	N/A
Markets	Yes	N/A
Municipal abattoirs	No	N/A
Municipal parks and recreation	Yes	N/A
Municipal roads	Yes	N/A
Noise pollution	No	N/A
Pounds	Yes	N/A
Public places	Yes	N/A
Refuse removal, refuse dumps and solid waste disposal	Yes	N/A
Street trading	Yes	N/A
Street lighting	Yes	N/A
Traffic & Parking	Yes	N/A

APPENDIX E

WARD REPORTING

PUBLIC MEETINGS						
NAME AND PURPOSE OF MEETING	DATE OF MEETING	NUMBER OF PARTICIPATING COUNCILLORS /WARD MEMBERS	NO. OF PARTICIPATING MUNICIPAL OFFICIALS / ADMINISTRATORS	NUMBER OF COMMUNITY ATTENDING	ISSUES ADDRESSED (YES /NO)	DATES AND MANNER OF FEEDBACK GIVEN TO THE COMMUNITY
Mayoral Outreach (Public Consultation)	5 November – 9 November 2018. Report back to the community. 20 May 2019 - 24 May 2019 Municipal Feedback Outreaches were held in all 17 Wards.	All Ward and PR Councillors Mayor Speaker	6 Officials 6 Officials 6 Officials		Yes Yes Yes Yes	Ward Committee meetings and feedback via Municipal Outreaches as indicated
Public Participation , Round Table and IDP Forum	21 August 2018 11 September 2018 4 December 2018 28 March 2019 5 March 2019 13 May 2019	29 participants 33 Participants 27 Participants	4 Officials 5 Officials 4 Officials	61 85 45	Yes Yes Yes Yes	Ward Committee meetings and Public Participation Initiatives as indicated
Ward Committee meeting	Monthly (for all 17 wards) Dates of meetings differ for all.	All Ward Councillors and Ward Committees	3 Officials	0	Yes	Ward Committee meetings as specified

APPENDIX F

WARD INFORMATION

PROJECTS APPROVED AND IN PROGRESS			
		R' 000	
NATIONAL PROJECT REFERENCE NO.	PROJECT NAME	EXPENDITURE 2018/2018	BALANCE AVAILABLE ON MIG APPROVAL
R/EC/11692/15/18	Construction of Paved Roads in Wards 11: Herschel	6 599	11 972
R/EC/11691/15/18	Construction of Paved Roads in Wards 10: Tienbank	5 779	11 675
EC2012145	Construction of Access Roads in Ward 18 - Esilindini	3 774	226
MIG/EC 4060	Construction of Access Roads in Ward 17 - Sunduza & Joveleni	3 799	201
MIG/EC 5053	Construction of Access Roads in Wards 3: Erka, Qhoboshane, Hohobeng & Other	843	Complete
EC2013282	Construction of Access Roads in Wards 4: Boomplaas, Mkunyazo	170	Complete
EC2015102	Construction of Sportsfields in Ward 2 - Upgrading of Sportsfield in Kwa - Gcina	4 152	1 605
EC 2015103	Construction of Sportsfields in Ward 13 - Upgrading of Sportsfields in Naledi	3 742	2 015
MIG/EC0432/S/06/07	Construction of new Solid Waste Site in Sterkspruit - Ward 10	-	2 591
MIG/EC1689/SW/09/10	Construction of Herschel Solid Waste Site - Ward 11	59	3 122
MIG/EC1691/SW/09/10	Construction of Rhodes Solid Waste Site - Ward 16	59	1 080
MIG/EC1692/SW/09/10	Construction of Rossouw Solid Waste Site - Ward 15	91	1 048

APPENDIX F
WARD INFORMATION (CONT.)

PROJECTS APPROVED AND IN PROGRESS			
R' 000			
NATIONAL PROJECT REFERENCE NO.	PROJECT NAME	EXPENDITURE 2018/2019	BALANCE AVAILABLE ON MIG APPROVAL
EC2014146	Construction of new Community Hall in Ward 9	-	1 769
EC2014147	Construction of new Community Hall in Ward 12	2 761	Complete
EC2014148	Construction of new Community Hall in Ward 18	2 379	Complete
EC2015264	Barkly East Street lights	607	Complete
EC2015212	Steve Tshwete Street Lights in Lady Grey Ward 14	3 780	complete
ST/EC/10956/15/19	Planning Project for EIA applications for Cemetery, Landfill sites & Bridges	-	1 432
EC201581	Planning Project for EIA application for Pedestrian Bridge in Ward 5 - Bebeza	-	272
EC2015104	Construction of Hawker Stalls in Ward 10 - Sterkspruit	1 360	Complete
EC2015261	Construction of Lady Grey Animal Pound	-	6 200
	Project Management Unit (PMU) 2015 / 16	1 828	-
		36 807	45 208

APPENDIX G

RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 2018/2019

DATE OF THE MEETING	RECOMMENDATIONS	ADOPTED (ENTER YES) IF NOT, PROVIDE EXPLANATION
27 August 2018	The Chairperson requested that a meeting be arranged for AC and AGSA without management by the internal audit unit.	Yes
20 September 2018	The AC requested with regards to the communication channels, that there be some agreed escalation to the AC Chairperson in terms of findings which were material and which could affect the audit report.	Yes
22 Oct 2018	The AC requested for the Minutes of the Risk Management Committee (RMC) to be provided to them moving forward.	Yes
22 Oct 2018	The AC requested that the mSCOA Implementation be provided by the CFO to the AC by Friday, 26 October 2018.	Yes
22 Oct 2018	The AC further requested that Provincial Treasury (PT) provide the AC with the progress of the implementation of the MScOA in the next AC meeting.	Yes
02 April 2019	The AC requested that the PMS Policy be circulated to the AC by Friday 5 April 2019 and that the presentation be made during the next AC meeting.	Yes
02 April 2019	The AC requested a report from the lawyers in order to make an assessment as to whether the change in scope was not a means to bypass the legal requirements. He further indicated that the agreement made was that the Municipal Manager would solicit the report from the lawyers.	Yes
02 April 2019	The AC resolved that the internal audit will provide assurance once reconciliation is completed on mSCOA.	Yes
20 June 2019	The AC resolved that Risk Management responsibilities are to be included in the Audit Committee Charter.	Yes
20 June 2019	The AC resolved that management should ensure that the correct levels of staff are represented as members of the Internal Risk Committee.	Yes

APPENDIX G

RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 2018/2019 (CONT.)

DATE OF THE MEETING	RECOMMENDATIONS	ADOPTED (ENTER YES) IF NOT, PROVIDE EXPLANATION
20 June 2019	The AC suggested that Fraud Risk should be included in the register and also form part of risk management overall. This should be included as one of the KPI's so that the performance could be monitored.	Yes
20 June 2019	It was resolved that the audit committee will investigate on matters relating to their scope and responsibilities. It was further resolved that the Audit Committee will be involved in the investigation when requested to do so by Council.	In progress
20 June 2019	It was resolved that the Standard Operating Procedures for Risk Management that were submitted for comment, should clearly indicate the time during which the chairperson of the Risk Committee should meet with a designated member of the Audit Committee, in order to provide a briefing on risk management.	Yes
20 June 2019	The Acting Municipal Manager stated that the report for tenders above R10million would be presented by Municipal Manager during the next Audit Committee meeting.	In progress

APPENDIX H

LONG-TERM CONTRACTS & PUBLIC PRIVATE PARTNERSHIPS

LONG TERM CONTRACTS (20 LARGEST CONTRACTS ENTERED INTO DURING YEAR 0)					
R'000					
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry Date of Contract	Project Manager	Contract Value
TELKOM ISDN PRA Rental	Installation and Rental of Telkom ISDN 30 PRA Service	10-Nov-13	10-Nov-16	Director Corporate Service	R 91 610

PUBLIC PRIVATE PARTNERSHIPS ENTERED INTO DURING YEAR 0					
R'000					
Name of and Description of the Project	Name of the Partner(s)	Initiation Date	Expiry Date	Project Manager	Value 20.. /20..
No PPP were entered into by council					

MUNICIPAL ENTITY / SERVICE PROVIDERS STRATEGIC PERFORMANCE MANAGEMENT AND MONITORING REPORT

Service provider means a person or institution or any combination of persons and institutions which provide a municipal service

- External service provider means an external mechanism referred to in section 76(b) which provides a municipal service for a municipality
- Service delivery agreement means an agreement between a municipality and an institution or person mentioned in section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality
- Section 121(b) of the MFMA and Section 46 of the MSA further state that a municipality should include the following related to service providers in its annual report:
 - The performance of each service provider
 - a Comparison of the performance with targets set for and performances in the previous financial year; and
 - measures taken to improve performance

The purpose of this section is to provide information related to the performance of external service providers.

SCM STATISTICAL AND COMPLIANCE/ADMINISTRATIVE REPORTING: 2018/2019

TOTAL NUMBER OF TIMES THAT THE BID COMMITTEE MET DURING 2018/2019			
Specifications Committee (17 Meetings)		Evaluation Committee (16 meetings)	Adjudication Committee (10 Meetings)
1	04 July 2018	07 August 2018	02 July 2018
2	21 August 2018	22 August 2018	29 August 2018
3	10 September 2018	06 September 2018	26 September 2018
4	17 September 2018	13 September 2018	5 October 2018
5	23 October 2018	21 September 2018	09 September 2018
6	07 November 2018	26 September 2018	20 November 2018
7	05 December 2018	26 October 2018	11 December 2018
8	04 February 2019	30 October 2018	13 December 2018
9	19 March 2019	10 December 2018	12 March 2019
10	02 April 2019	22 January 2019	03 April 2019
11	10 April 2019	5 February 2019	25 April 2019
12	14 May 2019	12 February 2019	14 June 2019
13	30 May 2019	05 April 2019	
14		16 April 2019	
15		15 April 2019	
16		28 May 2019	
17		04 June 2019	
18		12 June 2019	
Bids Approved /awarded/Turnaround Time			
Total number of Tenders considered: 54			
Total number of Tenders approved: 22			
Average time taken from tender advertisement to award of a tender: 67 Days: 2.5 Months			

VARIOUS BID COMMITTEE MEMBERS 2018 /2019		
Bid Specification Committee Members	Bid Evaluation Committee Members	Bid Adjudication Committee Members
T Van Zyl (Chairperson)	A Gushmani (Chairperson)	K Fourie (Chairperson)
N Smith (SCM Practitioner)	N Smith (SCM Practitioner)	N Sbukwana (SCM Official)
N Languza-Mtwebana (Secretary-SCM)	N Languza-Mtwebana (Secretary-SCM)	P Bushula
B Viedge	X Mninzelwa	T Wonga
L Tobben	D Oertel	L Gologolo
M Theron	N Nkopane (For Infrastructure Projects)	R Crozier
T van Rensburg	Z Koyana	
M Ramarou	S Mbekushe	
N Nkopane	U Sobudula	
M Salmani	P Oliphant	
T Van Rensburg	M Nolan (Observer)	
M Nolan (Observer)	Z Ngcuka	
Z Ngcuka		

CONSOLIDATED SERVICE PROVIDERS PERFORMANCE REPORT 2018 /2019

LEGEND		
Total number of projects assessed	22	
Fully Achieved/Targets Met – Excellent performance	18	81,81%
Targets Met with a Variance – Good Achievement	4	18,18%
Not yet met/not fully achieved		0,00%
Not achieved		0,00%
Not Assessed	Adjudication Stage	Not provided

#	NOTICE NO.	NAME OF THE SERVICE PROVIDER	DESCRIPTION	CONTRACT VALUE	DATE OF SPECIFICATION	DATE OF EVALUATION	DATE OF ADJUDICATION	OVERALL TARGET FOR CURRENT PERIOD	PROGRESS/ ACHIEVEMENT OF TARGETS	LEVEL OF SERVICES	REASON FOR VARIANCE ON TARGET	ACTION TO REMEDY VARIANCE	TIMEFRAMES TO CORRECT VARIANCE
1	17/2017_2018	Rennies Travel	Provision for Travel Agency Services	Vat Inclusive Rates tendered	25-Jan-18	26-Jun-18	02 July 18	100%	Travel Agent appointed.	Tender Document	No Variance	n/a	n/a
2	81/2017_2018	Rhodium Consulting JV Thuso Development	Design, Documentation, project supervision for the construction of Barkly East Cemetery Ward 16)	R 525 827.81	29-Aug-17	15-Jun-18	02 July 18	100%	Consultant appointed on 07 August 2018	Tender Document	No Variance	n/a	n/a

#	NOTICE NO.	NAME OF THE SERVICE PROVIDER	DESCRIPTION	CONTRACT VALUE	DATE OF SPECIFICATION	DATE OF EVALUATION	DATE OF ADJUDICATION	OVERALL TARGET FOR CURRENT PERIOD	PROGRESS/ ACHIEVEMENT OF TARGETS	LEVEL OF SERVICES	REASON FOR VARIANCE ON TARGET	ACTION TO REMEDY VARIANCE	TIMEFRAMES TO CORRECT VARIANCE
3	78/2017_2018	R Mahange and Associates	Design, Documentation, Project Supervision for 2 km construction of paved sidewalks with storm water control & barriers in Barkly East Ward 16	R 493 695.00	29-Aug-17	15-Jun-18	02 July 18	100%	Consultant appointed on 03 July 2018	Tender Document	No Variance	n/a	n/a
4	79/2017-2018	New Elite/WDR Joint Venture	Construction of bus route in Boyce Nondala township, Barkly East Ward 19	R29 174 591.50	TBH	TBH	TBH	100%	Contractor appointed on 25 September 2018	Tender Document	No Variance	n/a	n/a
5	87/2017_2018	Charmaine Van Schalkwyk Consulting	Assist the Municipality with SDBIP and Performance Management and related Professional	Vat Inclusive Rates tendered	14-May-18	26-Jun-18	02 July 18	100%	Consultant appointed on 03 July 2018	Service Level Agreement	No Variance	n/a	n/a

#	NOTICE NO.	NAME OF THE SERVICE PROVIDER	DESCRIPTION	CONTRACT VALUE	DATE OF SPECIFICATION	DATE OF EVALUATION	DATE OF ADJUDICATION	OVERALL TARGET FOR CURRENT PERIOD	PROGRESS/ ACHIEVEMENT OF TARGETS	LEVEL OF SERVICES	REASON FOR VARIANCE ON TARGET	ACTION TO REMEDY VARIANCE	TIMEFRAMES TO CORRECT VARIANCE
6	80 – 2017/2018	Tebogo Business Trust JV Mofomo	Old Sterkspruit Solid Waste Site	R 6 616 324,55	14-Mar-18	27-Sep-18	09 Oct 18	90%	Service Provider appointed on 09 October 2018	Tender Document	Due to Sterkspruit unrest in May 2019 the project was delayed	Fencing: is 1.245km, Excavations: is 2640cubic metres; Roads works: 0% of 200 m paved road (have started but none completed yet); Guardhouse 50% - foundations complete, super-structure complete. An extension of time will be granted to the contractor since the matter of unrest was unforeseen	Service Provider appointed on 09 October 2018

#	NOTICE NO.	NAME OF THE SERVICE PROVIDER	DESCRIPTION	CONTRACT VALUE	DATE OF SPECIFICATION	DATE OF EVALUATION	DATE OF ADJUDICATION	OVERALL TARGET FOR CURRENT PERIOD	PROGRESS/ ACHIEVEMENT OF TARGETS	LEVEL OF SERVICES	REASON FOR VARIANCE ON TARGET	ACTION TO REMEDY VARIANCE	TIMEFRAMES TO CORRECT VARIANCE
7	92/2018-19	Qhophe Construction	Upgrading of Barkly East Solid Waste Site	R20 069 076.65	TBH	TBH	TBH	100%	Contractor appointed on 25 September 2018	Tender Document	No Variance	None	None
8	99/2018-19	Core Facts 1152	Rural Electrification	R5 249 104.16	10-May-18	15-Jun-18	05 Oc-18	100%	Service Provider appointed 05 October 2018	Service Level Agreement	No Variance	None	None
9	108/2018-2019	New Elite/ WDR Joint Venture	Animal Pound Lady Grey	R 5 993 621.75		27-Sep-18	09 Oct-18	90%	Contractor appointed on 09 October 2018	Tender Document	Delays were experienced for sewer connections to the District's main line.	The application for connection to the main connection to the District's main sewer line will be done 31 July 2019.	31 July 2019

#	NOTICE NO.	NAME OF THE SERVICE PROVIDER	DESCRIPTION	CONTRACT VALUE	DATE OF SPECIFICATION	DATE OF EVALUATION	DATE OF ADJUDICATION	OVERALL TARGET FOR CURRENT PERIOD	PROGRESS/ ACHIEVEMENT OF TARGETS	LEVEL OF SERVICES	REASON FOR VARIANCE ON TARGET	ACTION TO REMEDY VARIANCE	TIMEFRAMES TO CORRECT VARIANCE
10	109/2018-2019	Odwa and Solie Trading Enterprise	Construction of 2nd Phase Office Building	R15 033 664.80	TBH	TBH	TBH	100%	Contractor appointed on 27 September 2018	Tender Document	No Variance	None	None
11	124/2018_2019	Sterkspruit Copy Centre	IT Equipment	R 1 249 080.00	21-Aug-18	26-Oct-18	20 Nov-18	100%	Service Provider appointed on 26 November 2018	Service Level Agreement	No Variance	None	None
12	152/2018_2019	Lunika Chartered Accountants and Audit	Internal Audit Services	R 945 600,00	21-Aug-18	26-Oct-18	13 Dec-18	100%	Service Provider appointed on 14 January 2019	Service Level Agreement	No Variance	None	None
13	146_2018/2019	Crystal Communications	IT Server	R 277 193,70	21-Aug-18	28-Nov-18	13 Dec 2018	100%	Service Provider appointed on 14 January 2019	Service Level Agreement	No Variance	None	None

#	NOTICE NO.	NAME OF THE SERVICE PROVIDER	DESCRIPTION	CONTRACT VALUE	DATE OF SPECIFICATION	DATE OF EVALUATION	DATE OF ADJUDICATION	OVERALL TARGET FOR CURRENT PERIOD	PROGRESS/ ACHIEVEMENT OF TARGETS	LEVEL OF SERVICES	REASON FOR VARIANCE ON TARGET	ACTION TO REMEDY VARIANCE	TIMEFRAMES TO CORRECT VARIANCE
14	176/2018_2019	Umhlaba Consulting Group	SPLUMA	R 222 000, 00	24-Jul-18	10-Dec-18	13 Dec 2018	100%	Service Provider appointed on 14 January 2019	Service Level Agreement	No Variance	None	None
15	192_2018/2019	Business Behind Empowerment	New Tractor	R 511 250, 00	24-Jul-18	10-Dec-18	13 Dec 18	100%	Service Provider appointed on 14 January 2019	Tender Document	No Variance	None	None
16	180_2018/2019	Umhlaba Consulting Group	GIS	R 646 242,50	21-Aug-18	10-Dec-18	13 Dec 18	100%	Service Provider appointed on 14 January 2019	Service Level Agreement	No Variance	None	None
17	187/2018	Aberdare Cables	Purchase of Airdac and ABC Bundle Cable	R 465 410,75	23-Oct-18	22-Jan-19	14 March 19	100%	Service Provider appointed on 14 March 2019	Service Level Agreement	No Variance	None	None

#	NOTICE NO.	NAME OF THE SERVICE PROVIDER	DESCRIPTION	CONTRACT VALUE	DATE OF SPECIFICATION	DATE OF EVALUATION	DATE OF ADJUDICATION	OVERALL TARGET FOR CURRENT PERIOD	PROGRESS/ ACHIEVEMENT OF TARGETS	LEVEL OF SERVICES	REASON FOR VARIANCE ON TARGET	ACTION TO REMEDY VARIANCE	TIMEFRAMES TO CORRECT VARIANCE
18	188/2018 –2019	Smith Capital Equipment	Purchase of a Vehicle with a Cherry Picker	R 1 499 600.00	23-Oct-18	22-Jan-19	14 March 19	100%	Service Provider appointed on 14 March 2019	Service Level Agreement	No Variance	None	None
19	169/2018_2019	Naniswa Trading	Gravel Roads and Stormwater Control in Ward 1(Walaza, Thozama, Bikizana and Magudulela)	R 5 383 198,88	21-Aug-18	28-Nov-18	25 April 2019	90%	Contractor appointed on 29 April 2019	Tender Document	The Bid Adjudication Committee could not sit on time to finalise the appointment in this project.	Contractor has been appointed, introduced to the community and commenced with construction on the 10th June 2019.	10 June 19
20	168/2017_2018	Group YWO	Roads Esilindini & Frans	R 5 888 209,41	11-Sep-18	30-Oct-18	25 April 2019	90%	Contractor appointed on 29 April 2019	Tender Document	The project was adjudicated late by the Bid Adjudication Committee. The contractor was only appointed on 29 April 2019.	Site has been handed over to the contractor and the contractor has commenced with construction. 3 km road bed preparation & 3 km of road wearing course done.	After appointment of contractor

#	NOTICE NO.	NAME OF THE SERVICE PROVIDER	DESCRIPTION	CONTRACT VALUE	DATE OF SPECIFICATION	DATE OF EVALUATION	DATE OF ADJUDICATION	OVERALL TARGET FOR CURRENT PERIOD	PROGRESS/ ACHIEVEMENT OF TARGETS	LEVEL OF SERVICES	REASON FOR VARIANCE ON TARGET	ACTION TO REMEDY VARIANCE	TIMEFRAMES TO CORRECT VARIANCE
21	19/2018-2019	Nyamezela Metering	Purchase and Delivery of 368 din rail single phase two wire split prepaid energy meters with keypads	R 373 749.08	04-Feb-19	16-Apr-19	25 April 2019	100%	Service Provider appointed on 16 May 2019	Tender Document	No Variance	None	None
22	122/2018-2019	Ta Stera Enterprise Pty Ltd	Purchase and Delivery of Soccer Nets and Poles	R223 411,79	24-Jul-18	12-Sep-18	09 October 2018	100%	Service Provider appointed on 09 October 2018	Tender Document	No Variance	None	None

Management of Service Providers

- Improvements need to be made in terms of managing and monitoring of service providers. It would seem that Directorates are not co-operating and are still not ensuring that the required level of commitment is being given to managing service providers appointed within their directorates. Performance, these reports are received from directorates and or project managers (submitted to Supply Chain Management – SCM) in terms of service providers performance is not at the desired level. It must be remembered that this function is critical – not only for operational reasons but because of legislative prescriptions.
- It is not the sole responsibility of the Supply Chain (SCM) Manager and or SCM Unit to provide this reporting – SCM staff are there to assist in collation and consolidating reporting data received from Directorates. The performance management function of these service providers remains the responsibility of the relevant line managers /project managers in the various Directorates as part of their day to day operational and management function. This is not taking as formally as it should and is an area that requires attention. Failure to comply may lead to an audit query and an audit qualification which may have far reaching consequences overall.
- It must be ensured moving forward that Directorates manage service providers /contractor's consultant performance in line with performance management policy prescriptions (reviewed policy October 2018) and that accurate, qualitative monitoring and reporting occurs – **failing consequence management will be instituted - the necessary compliance notices will be issued and the disciplinary action will be taken where required.**

Procedure in place to manage and rate service providers

- A Post has been created within SCM Unit Co-ordinator (contract management & vendor performance) to specifically manage and support in all aspects of risk functionality relating to monitoring of service providers performance by coordinating all efforts and processes required to support the formulation of same into the SCM Risk Management Plan and the programme for the Supply Chain Management.
- Directors or appointed Project Managers of Service Providers are required to report monthly to the SCM unit against predetermined and specific measurable targets and outcomes. These may be different in the case of external funding. In this manner it will be ensured that all service providers deliver on services in a manner that meets all required standards.
- All Directors or appointed Project Managers must confirm the required levels of reporting with the SCM unit.
- No service provider payment can be made without the acknowledgement that the required outcomes were achieved; and
- Service provider reporting is to be consolidated and reported on quarterly and used to input into the Annual Report, s46 Report and the s72 Report

The performance of a vendor is evaluated by each user department that received the goods/service before payment of the invoice through the vendor performance evaluation form.

On monthly basis details from the evaluation forms are recorded in a spreadsheet that is consolidated into a quarterly report, which is submitted to the standing committee in the month following the end of the quarter. Thereafter, four quarterly reports are consolidated and submitted for the annual report purposes.

A system to manage and rate service providers has now been incorporated in the revised Performance management policy / framework. Currently the SCM Manager in conjunction with relevant Directorates ensures that certain performance protocols are followed before an invoice is processed. The performance of service providers will for some time remain an ongoing challenge.

DISCLOSURES OF FINANCIAL INTERESTS

DISCLOSURES OF FINANCIAL INTEREST (Disclosed in the AFS)		
PERIOD 1 July 2018 to 30 June 2019		
Position	Name	Description of financial interest Nil or provide details
Mayor	Cllr N.P. Mposelwa	Nil
Member/s of Exco	G.N. Mboyana	Nil
	V.V. Stokhwe	Nil
	S.S. Ndzongana	Nil
	T.M. Dumzela	Nil
	P.M. Mnisi	Nil
Councillors	A.P. Kwinana	Nil
	N. January	Nil
	N.R. Lose	Nil
	P. Jeje	Nil
	J. Mposelwa	1. Renting shop since 2016 (Thubalethu General Dealer). 2. Selling groceries
	S.M. Ntlwatini	Nil
	M.V. Bonelwa	Nil
	N.C. Mraji	Nil
	M.Gojo	Nil
	K.S. Mpiti-Xhelesha	Nil
	J.D. Somsila	Nil
	S. Mfisa	1. Monthly donation of R7000.00 from Nomonde
	M.H. Rorwana	Nil

DISCLOSURES OF FINANCIAL INTERESTS (CONT.)

DISCLOSURES OF FINANCIAL INTEREST (Disclosed in the AFS) PERIOD 1 July 2018 to 30 June 2019		
Position	Name	Description of financial interest Nil or provide details
Councillors	N. Nyongwana	Nil
	Z. Khoba	1. Shares at Group Two Construction
	M. Phuza	1. Shares at Ilanga Libalele Communications 50% shares. 2. Presenter at Ekhephini Community Radio Station
	M.A. Mshasha	1. Remuneration from Methodist Church
	I. Mosisidi	Nil
	X.G. Magcai	Nil
	N.Y. Monakali	1. Director at The Younger Generation / Zwelitsha Development and SAMRO
	N. Ndawule	Nil
	M.N. Mgojo	Nil
	B.S. Maqala	Nil
	K.P. Maqungu	Nil
	M.C. Kibe	Nil
	M.T.N. Sehlolo	Nil
	N.M. Phama	Nil
	N. Mpoloki	Nil
	M. Ndoda	Nil
	A. W. Mkangala	Nil
Municipal Manager	M. M. Yawa	1. Director at Joe Gqabi Development Agency. 2. Remuneration from the ICE during non-election period and election period.
Director: Technical Services	R. Crozier	1. Shareholder Basfour
Director: Community Services	L. Gologolo	1. Shares: SASOL, Vodacom & MTN 2. Other F/I: Ruutos Hair Products
Director: DTPS	P Bushula	1. Husband owns White Tree Trading and 1/3 ownership in Sechaba SA Africa
Director: Corporate Services	T. Wonga	Nil
Chief Financial Officer:	K. Fourie	Nil

REVENUE COLLECTION PERFORMANCE BY VOTE 2018 /2019

The Table below shows the comparisons between actual and budgeted revenue for the financial year 2018/2019 and previous financial years with the Original and Adjusted Budget:

	ORIGINAL BUDGET 2019	BUDGET ADJUSTMENTS 2019	FINAL BUDGET 2019	ACTUAL OUTCOME 2019	BUDGET VARIANCE 2019	RESTATED OUTCOME 2018
REVENUE						
Governance and administration	110,146,358	3,398,732	113,545,090	139,775,412	26,230,322	115,049,305
Executive and council	7,015,000	-	7,015,000	7,031,659	16,659	6,947,591
Budget and treasury office	103,131,358	3,398,732	106,530,090	132,743,753	26,213,663	108,101,714
Corporate services	432 952	4 994 048	5 427 000	5 385 387	(41 6130	2 241 659
Community and public safety	1,714,226	8,999	1,723,225	2,298,301	575,076	2,853,830
Community and social services	1,631,016	-	1,631,016	1,593,721	(37,295)	1,645,487
Sport and recreation	-	8,000	8,000	9,196	1,196	288
Public safety	83,210	999	84,209	695,384	611,175	1,208,055
Housing	-	-	-	-	-	-
Economic and environmental services	45,994,088	3,127,000	49,121,088	49,344,509	223,421	40,536,482
Planning and development	2,028,730	20,000	2,048,730	2,034,825	(13,905)	6,468,877
Road transport	43,965,358	3,107,000	47,072,358	47,309,683	237,325	34,067,605
Trading services	111,196,879	718,000	111,914,879	108,440,120	(3,474,759)	103,203,118
Electricity	74,744,879	718,000	75,462,879	69,095,372	(6,367,507)	66,916,406
Waste management	36,452,000	-	36,452,000	39,344,748	2,892,748	36,286,712
Other	2,756	-	2,756	2,363	-	2,530
Total Revenue - Standard	269,054,307	7,252,731	276,307,038	299,860,705	23,554,060	261,645,265

APPENDIX K (I)

REVENUE COLLECTION BY SOURCE 2018 /2019

A Revenue by Source Analysis with explanations regarding material variances can be seen on the table below.

	ORIGINAL BUDGET 2019 R	BUDGET ADJUSTMENTS 2019 R	FINAL BUDGET 2019 R	ACTUAL OUTCOME 2019 R	BUDGET VARIANCE 2019 R	RESTATE OUTCOME 2018 R
REVENUE BY SOURCE						
Property rates	8,146,650	100,000	8,246,650	13,438,943	5,192,293	5,996,567
Service charges	50,813,239	-	50,813,239	44,536,971	(6,276,268)	41,980,287
Rental of facilities and equipment	95,294	14,600	109,894	831,418	721,524	1,210,237
Interest earned - external investments	15,000,000	-	15,000,000	21,702,912	6,702,912	20,576,605
Interest earned - outstanding debtors	2,226,000	40,000	2,266,000	2,375,747	109,747	3,204,240
Fines	57,240	100,999	158,239	136,750	(21,489)	410,879
Licences and permits	1,119,254	2,000	1,121,254	1,243,088	121,834	1,295,286
Agency services	842,700	100,000	942,700	1,053,937	111,237	975,474
Transfers recognised - operational	144,317,750	-	144,317,750	145,359,823	1,042,073	144,367,274
Other revenue	1,585,930	3,217,132	4,803,062	22,190,430	17,387,368	8,022,299
Total Revenue (excluding capital transfers and contributions)	224,204,057	3,574,731	227,778,788	252,870,018	25,091,230	228,039,149

CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG 2018 /2019

CONDITIONAL GRANTS	2019	2018	2017	2016
	R	R	R	R
National : Municipal Finance Management (MFMA)	1 700 000	1 700 000	1 625 000	1 600 000
National: Municipal Systems Improvement Grant	-	-	-	930 000
National: Expanded Public Works Program	2 796 000	1 536 000	1 497 000	2 059 000
National: Dept. Sport (Youth Development - Sport Fields)	-	-	-	-
Integrated National Electrification Grant	5 983 000	552 894	3 000 000	-
Alien Vegetation	-	-	-	1 229 414
Vuna Awards	-	-	-	-
Libraries	1 500 000	1 500 000	1 500 000	1 200 000
Total Government Grants and Subsidies	11 979 000	5 288 894	7 622 000	7 018 414

Conditional Grants for the financial year are listed above and shows amounts for conditions met transferred to revenue.

APPENDIX M – M (I) AND M(II)

CAPITAL EXPENDITURE – NEW ASSETS PROGRAMME / CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME 2018/2019

Description R thousand	Ref 1	2014/15	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Actual 2017/18	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Infrastructure		15 921	20 129	27 204	33 384	40 041	39 165	39 165	41 738	30 150	39 952
Infrastructure - Road transport		12 817	17 278	19 644	24 190	25 491	27 872	27 872	–	400	11 902
Roads, Pavements & Bridges		9 536	12 698	17 189	24 190	25 491	27 872	27 872	–	400	11 902
Storm water		3 281	4 580	2 455	–	–	–	–	–	–	–
Infrastructure - Electricity		2 988	2 349	7 220	6 176	7 000	7 318	7 318	31 437	21 500	27 450
Generation		–	–	–	–	–	–	–	–	–	–
Transmission & Reticulation		2 988	2 349	2 987	–	–	–	–	–	–	–
Street Lighting		–	–	4 233	–	–	–	–	–	–	–
Infrastructure - Water		–	–	–	–	–	–	–	–	–	–
Dams & Reservoirs		–	–	–	–	–	–	–	–	–	–
Water purification		–	–	–	–	–	–	–	–	–	–
Reticulation		–	–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–	–
Reticulation		–	–	–	–	–	–	–	–	–	–
Sewerage purification		–	–	–	–	–	–	–	–	–	–
Infrastructure - Other		116	502	340	3 018	7 550	3 975	3 975	10 301	8 250	600
Waste Management		116	502	340	3 018	7 550	3 975	3 975	10 301	8 250	600
Transportation	2	–	–	–	–	–	–	–	–	–	–
Gas		–	–	–	–	–	–	–	–	–	–
Other	3	–	–	–	–	–	–	–	–	–	–

CAPITAL EXPENDITURE – NEW ASSETS PROGRAMME / CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME 2018/2019 cont. from previous page.

Description	R thousand	Ref 1	2014/15	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Actual 2017/18	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Community			11 996	5 957	11 496	1 597	4 746	4 179	4 179	3 200	5 300	500
Parks & gardens			91	70	555	665	200	1 300	1 300	1 100	–	–
Sportsfields & stadia			11 616	1 626	7 600	774	2 248	500	500	1 100	–	–
Swimming pools			–	–	–	–	–	–	–	–	–	–
Community halls			–	–	1 608	–	1 200	1 585	1 585	1 500	5 300	500
Libraries			–	–	–	–	–	–	–	–	–	–
Recreational facilities			–	–	–	–	–	–	–	–	–	–
Fire, safety & emergency			–	–	–	–	–	–	–	–	–	–
Security and policing			–	–	–	–	–	–	–	–	–	–
Buses		7	–	–	–	–	–	–	–	–	–	–
Clinics			–	–	–	–	–	–	–	–	–	–
Museums & Art Galleries			–	–	–	–	–	–	–	–	–	–
Cemeteries			289	4 232	337	–	–	700	700	–	–	–
Social rental housing		8	–	–	–	–	–	–	–	–	–	–
Other			–	30	1 396	158	1 300	400	400	600	–	–

CAPITAL EXPENDITURE – NEW ASSETS PROGRAMME / CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME 2018/2019 cont. from previous page

Description	Ref	2014/15	2015/16	2016/17	2017/18	Current Year 2018/19			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Actual 2017/18	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Other assets		19 158	12 714	3 124	5 894	19 378	8 416	8 416	3 147	–	–
General vehicles		4 929	1 325	425	1 610	2 100	1 722	1 722	1 700	–	–
Specialised vehicles	10	–	612	–	–	–	–	–	–	–	–
Plant & equipment		1 025	1 075	715	3 492	3 650	3 570	3 570	–	–	–
Computers - hardware/equipment		–	383	1 241	487	1 209	954	954	1 137	–	–
Furniture and other office equipment		2 402	594	459	305	320	322	322	110	–	–
Abattoirs		–	–	–	–	–	–	–	–	–	–
Markets		–	–	–	–	–	–	–	–	–	–
Civic Land and Buildings		–	–	–	–	–	–	–	–	–	–
Other Buildings		10 802	8 724	19	–	2 850	2 600	2 600	200	–	–
Other Land		–	–	265	–	–	–	–	–	–	–
Surplus Assets - (Investment or Inventory)		–	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–
Intangibles		–	10	247	32	161	161	161	600	–	–
Computers - software & programming		–	10	247	32	–	161	161	600	–	–
Other (list sub-class)		–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure	1	47 075	38 810	42 071	40 971	55 077	52 973	52 973	48 685	35 450	40 452

This table contains a complete Capital Programme for all Municipal Capital Acquisitions including both New and Renewal assets. Sources of funding for each asset are also shown and this funding is cash backed and provision is being made for these types of capital purchases in the municipalities Capital Replacement Reserve.

APPENDIX N

CAPITAL PROGRAMME BY PROJECT YEAR 2018/2019

Capital Additions for the financial year 2018/2019 reflected below. The following tables show these additions per category and per vote and are being classified as Infrastructure Assets, Loose Assets and Land & Buildings.

CAPITAL 2018/19	R
General vehicles	0
Plant & Equipment	856 028.52
Computers - hardware/equipment	1 086 148.36
Furniture and other office equipment	57 191.82
Security Guard Sheds and access control	60 462.6
Community Hall Ward 9 (Kwa Ngquba)	208 358.22
BE Town Hall	157 525.35
Fencing Khwezi Naledi Sports Field	140 247.30
Poles and Nets	223 411.79
Herschel - Solid Landfill Site	79 033.83
Pedestrian Bridge Ward 5	715 145.05
Paved Streets in Herschel	605 169.18
Paved Streets Tienbank	2 343 675.28
Lady Grey Solid Waste Site	1 281 677.76
Barkly East Solid Waste Site	10 035 584.12
Parking bay - Lady Grey	2 524 103.65
Renovations Town Hall Barkly East	250 557.33
Boysi Nondala 10km Paved Roads	13 727 552.13
Roads btwn Esilindini & Frans	1 395 007.98
Access Roads Ward 1	859 350
Access Roads Ward 2	309 000
BE Side Walks	3 565 522.17
Construction of Lady Grey Animal Pound	3 718 426.02
Renovations 2nd Floor Offices	3 642 989.77

APPENDIX O

CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 2018/2019

DESCRIPTION	2018/19
R thousand	Actual 2018/19
Infrastructure	33 660 717.5
Roads, Pavements & Bridges	22 264 421.79
Storm water	-
Transmission & Reticulation	-
Waste Management	11 396 295.71
Community	4 698 376.01
Parks & gardens	0
Sports fields & stadia	363 509.09
Cemeteries	-
Other	4 334 866.92
Other assets	5 703 549.07
General vehicles	0
Plant & equipment	856 028.52
Computers - hardware/equipment	1 086 148.36
Furniture and other office equipment	57 919.82
Other Buildings	3 642 989.77
Security sheds and Access control	60 462.60
Intangibles	0
Computers - software & programming	0
Total Capital Expenditure	44 062 572.58

APPENDIX P

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

WARD 1	
Mbobo J.S.S	Cracks on walls Water Supply Administration Block Poor Playing Fields Damaged Toilets No Hall
Bikizana J.S.S.	Toilets, Water, Sports Ground One block is a mud Structure and Access Roads
Walaza J.S.S.	Admin Block not in good condition Toilets are falling apart No Sport Grounds, No Furniture
Ndofela J.S.S.	Mud structure Toilets, Access Roads, Fencing Water Supply, Playing Ground, Admin block
Nxasana S.P.S.	Admin block, Sanitation, Grade R class is falling apart, Sports field. Erection of Security fence Renovations of all classes, Furniture
Governors Drift	Mud structure, Admin block, Fencing Water Supply, Access Roads,
WARD 2	
Qhoboshane, Qhemerha, Telle Junction, Kwa Gcina, Storomo, ST Teresa	Access Roads, Water Supply, Sanitation, Admin Block, Furniture, Fencing, Laboratory, Library

Ward 3 cont.....

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS (CONT.)

WARD 3	
Ndingishe J.S.S.	5 Additional Classrooms, Access Roads, Water Supply, Admin Block, Library, Laboratories, School Grounds, Fencing
Tlokweg S.S.S.	Toilets for Teachers, Admin Block, Library, Laboratory.
Mahedi J.S.S.	4 Additional classrooms, Administration Block
Hohobeng J.S.S. and Mmusong	Cracked walls, roof blown away, major renovations, water supply, Toilets, Network Coverage.
Tlhakong S.P.S.	Water Supply, Sanitation, Administration Block, Sport Grounds, 3 classrooms blown away.
Ekra J.S.S	5 Additional Classrooms, Administration Block, Water Supply, Toilets, Sports field.
Musong J.S.S	Major Renovations, Water Supply, Sanitation, Administration Block, An access Road, Network Coverage.
MPoki S.P.S	Water Supply, Access Roads, No Network Coverage.
WARD 4	
Bongiwe, Buyani, Cebano, Blikana, Jonas Goduka, Hillside, Lufefe, Mkunyazo, Mthabisa, Ndungunya, Ntlangano, Mxokozeli, Penhoek, Vusisizwe.	Water, 12 Schools 8 Schools need Toilets 8 schools need access roads All 14 need sports fields 5 schools need to be upgraded in terms of electricity 11 schools need fencing

Ward 5 cont.....

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS (CONT.)

WARD 5	
Makhumsha, Mabele, Kwabo, Sivumelene, Bebeza, Nomlengana, Dangershoek.	Mud Structures Water Supply Toilets Fencing Sports fields Network Coverage No compliance Certificate issued to those Schools with electricity
WARD 6	
Hoita, Majuba, Malgas, Mapolo, Thembaletu, Umlamli, Zingxengele, Bongoletu, Monwabisi, Phelandaba.	Renovations of existing buildings. Playgrounds Water Supply Fencing Access Roads Libraries Laboratories Administration Block
WARD 7	
Nyathela S.S.S	Mud Structure Fencing Sanitation Shortage of Classrooms
Tsakana S.P.S.	5 Classrooms needs Renovations Sanitation Water Supply Sports fields Fencing
Thaba Lesoba	Access Roads Fencing Renovations of 5 Classes Sanitation Water Supply Sports fields

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS (CONT.)

WARD 7 (cont.)	
St Michaels	Mud Structures Weak Electricity Fencing, Toilets, Water Supply Sports Fields
Mbolekwa S.P.S	Mud Structures Administration Block Sanitation, Water Supply Sports Fields
Egugwini J.S.S.	Toilets and Fencing
Macacuma S.P.S.	Sports Fields Fencing and Toilets Minor Renovations Water Supply
WARD 9	
Amaqwathu JSS	Administration Block
Luvumelwano S.S.	Administration Block 10 Classrooms
Voyizana SPS	Renovations of 13 Classrooms Administration Block
Ngquba JSS	Admin Block 4 Classrooms to be added Renovations of 5 Classrooms
Joveleni S.P.S	Addition of 3 Classrooms
Sunduza J.S.S	Addition of 3 Toilets
	Common Challenges for Ward 9 <ul style="list-style-type: none"> - Water Supply - Sanitation - Fencing - Access Roads - Sports Fields - Library, Laboratory - Upgrading of Electricity

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS (CONT.)

WARD 10	
Bensonvaile JSS	Major Renovations Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road
Ekuzoleni JSS	6 New Classrooms Minor Renovations Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road
Ngongodoville SPS	3 New Classrooms Major Renovations (building in the stat of collapsing) Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road
Nkululeko SSS	6 New Classrooms Major Renovations Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS (CONT.)

WARD 10 (cont.)	
Nomzamo (Sterkspruit) JSS	15 New Classrooms Minor Renovations Admin Block Library Laboratory Sanitation Fence Sporting Facilities
Sterkspruit Community	10 New Classrooms Minor Renovations Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road
Sterkspruit SSS	25 New Classrooms (Declared that the building cannot be renovated) Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road
Tapoleng JSS	6 New Classrooms Minor Renovations Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS (CONT.)

WARD 10 (cont.)	
Tienbank JSS	5 New Classrooms Major Renovations Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road
WARD 11	
SCHOOL	CHALLENGES
Herschel Village JSS	Danger Zone School Electricity wires fallen out of ceiling Renovation Struck by disaster & nothing has happened since No fence Trees damaging school with roots
Ezintatyaneni SP	Administration Block Sanitation Fence Electricity (upgrade) Mud Structure (2) No play grounds
Dibinkonzo JSS	Sanitation Fence Administration Block and Renovations Mud Structure Sport field
Mehlomakhulu SSS	Fence Water & Sanitation Renovations & Administration Block Sports Field Furniture for Learners
St Marys	Water & Sanitation Access Road Sport Ground School Hall

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS (CONT.)

WARD 10 (cont.)	
Hlanjwa SPS	Administration Block Sport Ground Sanitation Access Roads Mud Structure (2) Fence
Meyi JSS	Mud Structure Sanitation Fence Weak & Faulty Electricity – disaster
Magumbu SPS	Sanitation Fence 5 Classrooms cracked all sides Administration Block Weak & Faulty Electricity – disaster Sport Grounds Access road
Ebenezer Nyathi SSS	Sanitation –State of collapse Fencing 2 block (community built) one strongly needs renovation Water Admin Block 3 classrooms 1 lab
Bamboesspruit JSS	Renovations (Whole school) Fencing Sanitation Admin Block Cracked Walls to be fixed Access Roads Sport Grounds Furniture Leaking Roof 2 Classrooms Paving Staffing Erection of a Stoep

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS (CONT.)

WARD 12 (cont.)	
Entsimekweni JSS	Minor Renovations Flooring Fencing Access Road Sanitation
Nyaniso SPS	Flooring Fencing Water School Grounds
Manxeba JSS	3 Classrooms Water Fence School Grounds to be constructed Furniture
Mncunubeni JSS	5 Classrooms Sanitation & Water Fence Access Road Sport Ground
Jozana's Nek JSS	Water Playground Access Road Renovation of Ceiling in 4 classrooms Furniture
Jozana's Hoek	Major renovations in 8 classrooms & office Security Fence Play Grounds Access Road Sanitations
Magwiji JSS	6 Classrooms Water & Sanitation Playgrounds Fencing Access Road Furniture
Mrobongwana SPS	Water & Sanitation Playground Access Road Admin Block Furniture

APPENDIX P SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS (CONT.)

WARD 12 (cont.)	
Hlomendlini JSS	Water & Sanitation Fence Play ground Furniture
MZOMHLE SSS	Water & Sanitation Access Roads Furniture Playgrounds Administration Block
WARD 13	
Khiba JSS	6 Prefect classes 4 Mud Structures Flooring Water & Sanitation Fencing Furniture Electricity Admin Block
Skisazana JSS	Major renovations Flooring Water & Sanitation Roofing Admin Block Fencing Access Road
Lungisani SPS	Access Road Water Fencing Sport Ground
Mbonisweni SPS	Fencing Access Road
Witterbergen SPS	Sport Ground Fencing Access Road Attention to be paid to a query next to school
Diphana SPS	Mud Structure Sanitation Fence Admin Block Access Road

APPENDIX P SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS (CONT.)

WARD 13 (cont.)	
Witterbergen JSS	Principal's Office Fencing Sanitation Access Roads Sport Field Roofing
Zava SPS	Flooring Sanitation Prevention of soil erosion
Nkopane JSS	Fencing Major Renovations Water & Sanitation Sport Field
Nompumelelo SSS	Fencing Mud Structure Water & Sanitation Sport Ground Access Road
Mdlokovana JSS	Mud Structures Sporting Facilities Sanitation Fencing
WARD 14:	
Rossouw was promised a school 3 years ago	Farm schools need attention
WARD 15	
Mzondeki SPS	No Buildings Water & Sanitation Access Road Play Grounds Fence
Sizamulwazi SPS	Sport Grounds 5 Classrooms
Sijorha SPS	No Buildings Water & Sanitation Access Road Play Grounds Fence

APPENDIX P SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS (CONT.)

WARD 15 (cont.)	
Luyolo SPS	No Proper Buildings Water & Sanitation Admin Block Access Road Play Grounds
Sakakude JSS	No Buildings Water & Sanitation Access Road Electricity Ceiling Fence
Impumelelo SSS	No Buildings Water & Sanitation Access Road Play Grounds Fence Electricity
Wartrail	Water & Sanitation Play Grounds
Malikhanye SSS	Sport Grounds Furniture Minor Renovations Fencing
Rhodes PS	School is Prefab Structure Toilets
Moshoeshoe's Ford	Structure falling apart School on Private Property
Barkly East DRC P.S	2 Classrooms Science Class Admin Block Grader R Classroom Toilets Kitchen Office Plot Ground to build school in Fairview

APPENDIX R

DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY: 2018/2019				
All Organisation or Person in receipt of Loans*/Grants* provided	Nature of Project	Conditions attached to funding	Value 2018/2019 R'000	Total Amount committed over previous and future years
GRANTS PAID	Grants in Aid		R 0	